

Hard New World: Living Without Cold-War Clarity

By Thomas L. Friedman

WASHINGTON — Normally, Washington gets exercised about the topping of freely elected presidents. But when the freshly elected, yet brutal, government of President Zviad K. Gamsakhurdia was deposed by rebels in the former Soviet republic of Georgia last week, the Bush administration was silent.

NEWS ANALYSIS

— which are led by freely elected presidents whose commitment to real democratic practices is still very much suspect. Boris N. Yeltsin, the Russian president, was popularly elected, but he much prefers to rule by decree. The same is true of Ukraine's president, Leonid M. Kravchuk, who runs his parliament like a big smoke-filled room.



A tank moving into position Sunday in Algiers. Troops also were deployed in other Algerian cities following the resignation of President Benjedid.

Algeria Cancels Vote, Bowing To Pressure From Military

Move Follows Resignation Of President, Islamic Front Had Expected Big Victory

By Youssef M. Ibrahim

ALGIERS — The Algerian government on Sunday canceled the parliamentary elections that had given a major triumph to the Islamic Salvation Front, the country's most popular political party.

East Europe: Bonn's Growing Preoccupation

By Joseph Fitchett

BONN — German officials acknowledge that their foreign policy has become more assertive, but they insist that the shift mainly concerns Germany's special concerns in Eastern Europe.

Germany and dispel doubts about whether the European Community addresses German concerns. "There's a feeling here that Germans sacrificed the Deutsche mark to help EC countries accommodate our economic power," a Kohl aide said.

Kiosk

Zhelev Tops Bulgaria Vote

SOFIA (Reuters) — President Zhelev had a clear lead but was likely to fall short of a first-round victory in Bulgaria's first presidential elections, projections Sunday indicated.

General News

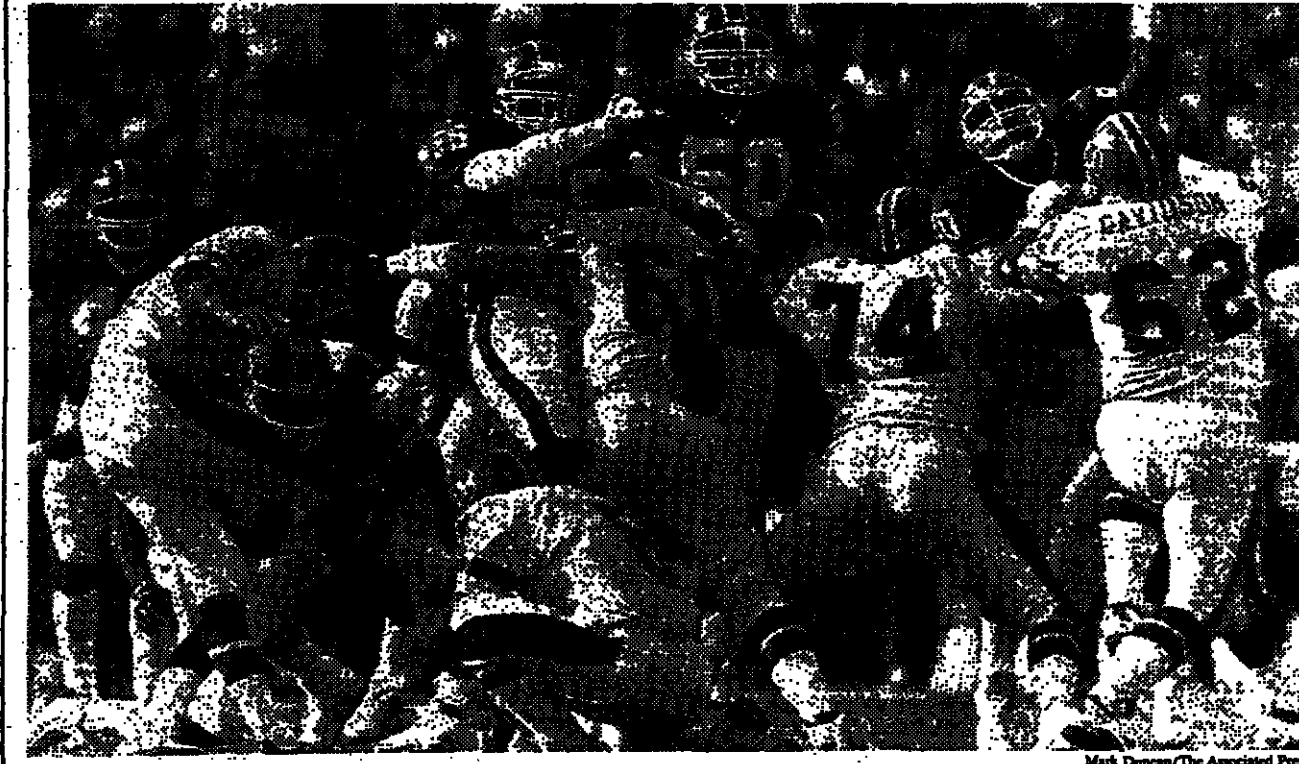
A CIA panel urges that many papers be declassified. Page 3. In South Africa, the bush hides the direst poverty from sight and consciousness. Page 2.

Business/Finance

Germany's economy will grow despite high rates, the Bundesbank president said. Page 7. Mosbacher called on the EC to "relent" ahead of Geneva talks on GATT. Page 7.

Crossword

Page 2. Weather Page 2.



Bills Defeat Broncos for American Football Conference Title Dave Treadwell (9), the Denver Broncos' placekicker, left, missing a field-goal attempt in the game Sunday against the Buffalo Bills in Orchard Park, New York. The Bills went on to claim victory, 10-7, and advance to the Super Bowl. Page 13.

A Pro-Communist Protest in Moscow

By Serge Schmemmann Moscow — About 10,000 Communist supporters took to the streets on Sunday to protest rising prices and demand the resignation of the government.

Radicalizing of the West Bank

By Jackson Diehl Washington Post Service ELON MOREH, Israeli-Occupied West Bank — The narrow, winding road up the hill to this Jewish settlement used to be lined with olive trees planted by Palestinians from nearby villages.

For Dealmakers, a Debacle

By Erik Ipsen International Herald Tribune LONDON — In an ironic turn of fate, Europe's mergers and acquisitions experts are fretting for their future — for their bonuses and in some cases even their jobs.

Quayle as President? A Shortage of Moral Weight, Maybe, but Plenty of Ambition

By David S. Broder and Bob Woodward Washington Post Service WASHINGTON — Last Wednesday, for the second time in eight months, President George Bush's sudden illness thrust this question on the United States and the world: What if Dan Quayle became president?

WORLD BRIEFS

Chile Ordered to Pay Letelier Family

WASHINGTON (Reuters)—The families hurt by the 1976 assassination of the former Chilean ambassador to the United States, Orlando Letelier, will receive \$2.6 million from the Chilean government, the State Department has announced.

Gun Ban Is Imposed in Philippines

MANILA (Reuters)—The Philippines imposed a gun ban Sunday, hoping to avert another bloody general-election season in a nation of violent politics.

Kenya Charges 2 Over Coup Rumors

NAIROBI (Reuters)—Former Vice President Joseph Karanja of Kenya and a former member of Parliament, Mann Wamwa, have been charged with spreading unfounded and malicious rumors of an impending military coup.

Cuba Sentences 3 to Die for Sedition

MEXICO CITY (AP)—Three Miami men accused of trying to invade Cuba and start a rebellion against President Fidel Castro have been sentenced to death by firing squad, the Cuban press agency Prensa Latina reported.

TRAVEL UPDATE

The Scandinavian airline SAS is to return 53 McDonnell Douglas MD-80 planes to the manufacturer for changes, following the crash landing last month of one of its jets, the Svenska Dagbladet newspaper reported.

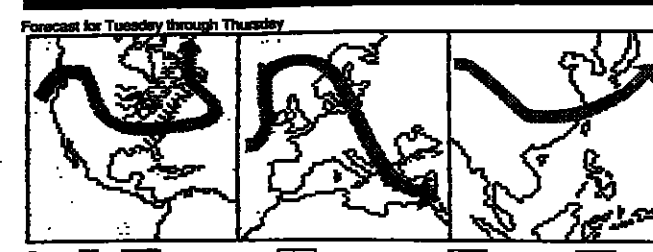
This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: Togo.
WEDNESDAY: Japan, Sri Lanka.
SUNDAY: Iran.

Source: J.P. Morgan, Reuters.

The Weather



North America: Rain will soak the Atlantic seaboard... Europe: Areas of thick fog and low clouds may persist... Asia: From Khabarovsk to Tokyo, Japan will be hot and dry.

Table with columns for location, Today, and Tomorrow weather forecasts for various regions including Europe, Asia, Africa, and Latin America.

Table with columns for location, Today, and Tomorrow weather forecasts for various cities in North America.

Table with columns for location, Today, and Tomorrow weather forecasts for various cities in the Middle East.

Table with columns for location, Today, and Tomorrow weather forecasts for various cities in Oceania.

Legend: p=partly cloudy, o=overcast, sh=showers, H=high, L=low, S=storm, T=thunder, F=fog, B=blizzard, C=clear, M=mist, D=drizzle, W=wind, V=visibility, P=pres. prob., T=total, A=actual, I=interpolated, D=deduced.

Democratic Risks Are Hong Kong's to Take, Legislator Says

Martin Lee, chairman of the United Democrats of Hong Kong, received the most votes in the first direct elections to the Legislative Council last fall. He spoke last week with Samuel Abt and Laurence Zuckerman of the International Herald Tribune.

Labor Party toyed with the idea until recently, when they saw they had some good chance of success in the next elections. At any rate, I don't think China would allow that to happen even if the British government had the will and determination. China doesn't want the key.

MONDAY Q&A

Q. There has been much criticism of Prime Minister John Major's recent decision to announce the retirement of Governor Sir David Wilson months before a successor can be named. What effect will this have on Hong Kong?
A. I still don't know why it was handled this way. There are different views. I consider him too weak on China. Other people said he was not defending British interests strongly enough. In practice, however, I don't think the announcement matters too much. I suppose now people will have to take him lightly. Beforehand, they didn't have to, but they did.

Q. Does that mean you wouldn't accept it?
A. It is just not a possibility. If you allow the people of Hong Kong a free vote, I don't care who gets elected. I don't even mind giving you a commitment that I would not stand. I want the governor of Hong Kong to be accountable to the people of Hong Kong. That is the best way to have a governor who will really

but for Hong Kong and not the British interests.
Q. When you say that Beijing wouldn't allow it, what do you mean?
A. Because the British have been listening to them already. They shouldn't, but they do. They deny that this is a condominium government. Maybe it's not. Maybe it's worse. Maybe it's a puppet government.

Q. British officials argue that granting Hong Kong more democracy without Beijing's blessing could ultimately do great harm if China makes good on its promise to dismantle such changes after 1997. What do you say to that?
A. Let me tell you what Baroness Lydia Dunn has said. Now Lydia Dunn is a very conservative lady and absolutely pro-business. In 1990, she was asked precisely the same question by a British journalist: What good is it if we the British were to give you democracy now only to see the Chinese demolish it after they resume sovereignty in 1997? And her answer, which would have been my answer, was, "If we the people of Hong

Kong are prepared to take the risk, why should you worry?"
Q. Are you sure that the majority of the people of Hong Kong would be willing to take that risk?
A. Oh yes. Polls are taken regularly. People have been seeing the whole world going in that direction. Even Russia, the big brother of China, has disowned communism. They want democracy. They want freedom.

My second answer to you is that you mustn't assume that China will necessarily dismantle democracy. It is one thing to say, "I will not accept this, come 1997," and another to actually demolish it when it is working well and it is seen to be working well by the whole world, including our business people here. In theory, China could send troops into Hong Kong today. But how likely is it? If that should happen, Hong Kong would become a barren rock with 6 million people on it.
Q. In a crunch, do you expect the United States and the Europeans to support democracy here?
A. I don't see why not because it would be very difficult for them not to. It goes

against the grain for them not to. Question is: How much would they actually do if it is still denied to us?
Q. Are you concerned about what may happen to you personally after 1997?
A. In theory, yes. Anything can happen to me or to members of my family. But I don't think anything will. To be fair, China has improved. In 1966-67, we had pro-China riots here inspired by the Red Guards. There was one guy who consistently criticized these people. He was working with the commercial radio here. A very brave man. They threw a fire bomb and killed him in a car. This sort of thing will never happen again.

Q. Vietnamese officials recently asked for money to help defray the costs of absorbing returning boat people from Hong Kong. Do you think Britain and Hong Kong should pay to facilitate the forced return of Vietnamese refugees?
A. I think Britain should pay because that is the responsibility of the sovereign state. We should give much better treatment to these poor people who are here, but why should we pay? It is for the British government to pay.

In South Africa, Direst Poverty Is Out of Sight (and Mind)

By Christopher S. Wren

New York Times Service
JANE FURSE, South Africa—Joseph Tease, 30, did not own a bed until a few weeks ago, when he inherited the hand-me-down frame and mattress sagging against the pockmarked floor of his otherwise barren home here.

Some economists doubt that a post-apartheid government about to be structured in constitutional talks can make much difference to people so marginalized.
Mike Muller, a senior policy analyst at the Development Bank of Southern Africa, predicted in April that the rural poor would get poorer unless a determined effort was made to draw them back into the economy.

Finance Minister Barend du Plessis said in March. "But even more disturbing are the millions of South Africans who have to make do with pitifully small incomes."
Mr. de Klerk has earmarked more than \$1 billion to improve their lives but that has yet to trickle down to the ethnic homelands.

In the 1970s, Pretoria sought to justify its apartheid policy of separate development by granting what it disingenuously claimed to be self-government and in some cases "independence" to the homelands.
With talks soon scheduled to begin on a constitution for a non-racial South Africa, the prospective status of the homelands remains vague, though there appears to be some general agreement on their legal reintegration into the country.

Lebowa, which was designated as a putatively self-governing but not "independent" homeland for people of northern Sotho or Pedi origin, is one of the poorest homelands.
Anah Diago, 51, is going blind as she raises seven children. Adele Makhoni, wheezing from chronic asthma, sleeps with her four children on the floor. Lucy Basimikweni, 18, struggles to complete school while caring for nine orphaned brothers and sisters.

In Lebowa, some people will work all day in return for a bowl of cornmeal. Without food at home, said Frans Themba, a field worker for Operation Hunger, young children hire themselves out as hands on white-owned farms just across the "borders" of the homeland.
Mr. Themba recalled one 12-year-old girl who brought home a week-old baby, which she left with her grandmother before heading back to the farm. Mr. Themba said that when the girl was asked why she was rushing to the farm, she tearfully replied, "But what am I going to eat?"



SIMON'S SOUNDS END THE SILENCE—Fans cheering the singer Paul Simon as he began a South African tour in Johannesburg despite minor protests. Mr. Simon became the first international star to perform in South Africa since a cultural boycott ended last year.

President vs. General, and Somalis Pay the Price

By Keith B. Richburg

Washington Post Service
MOGADISHU, Somalia—Measured against the daily violence in this battle-scarred capital, it was a quiet day at Ben Adir Hospital. One youngster arrived with his fingers blown off by a grenade. Two children were burned over most of their bodies in an explosion. There were shrapnel-torn abdomens.

On one side is Ali Mahdi Mohammed, the interim president.
"There is no economic entity prevailing in this country," he said last week. "Everything has collapsed. Anarchy is prevailing. With no police or military, it is very difficult to run the country."
The conversation was repeatedly drowned out by the thud of artillery shells.

di Mohammed clings precariously to his position. And the president has responded in turn, shifting control to General Farrah Aidid.
Last week, the crowded Ben Adir Hospital was hit, for which the president offered an apology.
"Maybe we missed and killed some civilians," he said. "I'm very sorry about that."
The duel has been played out brutally. The two men have carved up the city into warring camps. Artillery shells have wrecked streets and buildings. Burned-out cars litter largely empty highways.

General Mohammed Farrah Aidid offered a soft-spoken explanation for the high level of violence in a city where it seems every male adult and child is armed.
"Traditionally, Somali people love three things," he said. "One is keeping small arms with them. Another is their camel. And finally their horse. Somalis love horses."
Somalia, he said, did not need outside intervention to solve the ongoing conflict because he himself was "already taking action to solve our problem."

UN Ends Plan To Protect Those Fleeing Vietnam
New York Times Service
WASHINGTON (AP)—An anti-piracy program intended to protect Vietnamese refugees from attacks in the Gulf of Thailand has been phased out by the United Nations High Commissioner for Refugees because the attacks have all but ceased in the last 18 months.

Responsibility for policing the sea was passed to the Thai Navy. The first cold wave in some time will invade the Midwest with Wednesday along with snow or sleet in the Pacific Northwest, California will have dry weather.

Both claim to represent democracy, saying they are trying to prevent Somalia from returning to the dark days of dictatorship.
Both are stubborn and uncompromising.
Since Nov. 17, when their verbal war erupted into a shooting war, the capital has been caught in the middle.

On the other side is General Siyad Barre, who has ruled Somalia since 1969. He is a former army general seeking to oust him.
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Seeing the president as the problem, the general's solution has been a relentless barrage on the northern section of the city, where Mr. Mahdi Mohammed's antagonist

resisted in a roomier, heavily fortified villa that had the air of a military command center.
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As late as 1989, 762 Vietnamese or Cambodian refugees were reported killed or missing at sea, but U.S. and UN officials say that a decision was made in November to end the program because there had been no reported attacks on Vietnamese refugee boats since July 1990. The program was ended with the new year.

Kuwait Lifts Censorship In Advance of Elections
Agence France-Presse
KUWAIT (AFP)—Kuwait is lifting press censorship that has been in force for more than five years, the official press agency KUNA announced Sunday.

- ACROSS
1 Dross of metal
5 Famed marionette maker
9 — aus
13 Prefix with sphere
14 Loathsome ingredient
15 "Call Me"
17 Tel —
18 Track tipster
19 Quickly

- 19 Helen's husband
21 Shrewdness
22 "Two Women" star
23 Shakespeare's man of Athens
25 Canvas
27 Australian statesman
31 Male swan
34 Rascal of ballet
37 Astern
38 Three before double-u

- 40 Solitary
41 Calabrian coin
42 Repairer
44 Recent
45 "Newspaper Days" author
47 "Diary"
49 Andrew's Muse
51 Negatively charged particle
54 It's sometimes secret
57 Greek comic dramatist
60 Poker player's the hole

- 2 Flat
3 Kind of acid
4 Chantable people
6 Recent
8 Wicked
9 Baseball brothers' surname
7 Bestir from bed
8 Obtain
9 She let down her hair
10 Elot's Bede
11 Watercourse
12 Final word
15 City in Ga.
20 Smallest
21 Iowa State U. site
24 Obstruct
26 Hidden
28 Pressing need?
29 German article
30 Twist
31 Composed
32 Tony's cousin
33 Place for a dance
35 Thematic letters herein
38 Cosmetic surgery
40 Joe Louis is one
42 Pin

- 43 Heavyweight Holyfield
44 Scandinavian
48 Burns superlatively
50 Signs
52 Theater
53 Italian Socialist Pietro
55 Feel compassion
56 Scraggy
58 Durable feeder
59 Grate
61 Kind of cross

Solution to Puzzle of Jan. 10

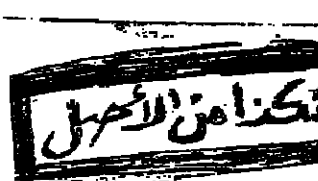
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MAX AND BUDDY BAER
BREW ITS ROALDS
STREET HOOF
BED COFFRET
AVISO ERAL AULA
BARENESSITIES
ESME LACE BENES
STANDIN YEA
ANTIANI TRAPPS
ESCUDO CHE LILT
THE NORTHERN BEAR
AERIE HORNE TIA
LEFTS ORBED ANY

61 Watch over
62 Across Rowlands
63 Irritate
64 Poet Sexton
65 Long periods
66 Clark of Smallville
67 "Back in the Saddle" Beales
68 Fragment
69 Humbug

69 Heavyweight Holyfield
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74 Burns superlatively
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Wooing the Middle Class: The Presidential Hopefuls Know Where the Votes Are

By Robin Toner
New York Times Service

WASHINGTON — The huge group of voters known as "middle-class America" is about to be courted with a vengeance as the 1992 presidential campaign gets under way.

Both parties are trying to calibrate their language, their policy proposals and their messages to show their concern for the middle-income American with a family, a house in the suburbs, a sense of economic alarm and a feeling that the politicians do not care.

To be sure, the invocation of "middle-class values" and economic concerns is a standard feature of political campaigns; to paraphrase Willie Sutton's explanation of why he had robbed banks, that is where the votes are. What is striking this year is the recognition, in both parties, that these voters feel an especially sharp sense of betrayal and anger.

The five major candidates for the Democratic nomination are scrambling to cast themselves as the candidates best able to restore the American dream to the forgotten middle class, as Governor Bill Clinton of Arkansas describes it in his new television commercial in New Hampshire.

The Democratic candidates are talking about national health-care plans, tax cuts for the middle-income group, expanded college loan programs and a host of other measures aimed at a broad swath of people squeezed by the recession.

For his part, President George Bush is apparently preparing a new budget that will offer tax credits to help people buy health insurance, tax benefits for first-time home buyers and a series of other measures aimed at showing his concern for working families.

Republican strategists say they will not make the mistakes their party made in losing the Pennsylvania Senate race last year, when the Democrats hammered at

the health-care issue, a principal concern of many voters, and the Republicans responded only in the final days.

Many strategists shy away from defining the term "middle class," noting that income guidelines fail to take into account such variables as the number of children in a family or the local cost of living.

Moreover, part of the political magic of the term is that most Americans, black and white, consider themselves part of the middle class, according to some public-opinion polls.

Paul Jolly, political director of the Democratic National Committee, thinks of a critical "middle class" voter as a suburbanite, in a household with about \$35,000 income, younger than 45, with a child or two, and in a marriage in which both partners work.

Robert D. Reischauer, head of the Congressional Budget Office, views the middle class as the middle 60 percent of Americans by income, which for a family of four would be from \$19,000 to \$78,000. He adds, however, that attitudes can be as telling as income: "Most people think of the lifestyle they can afford, the amount of discretionary income."

In this struggle for the middle-income voter, each party has some baggage to unload. The Republicans have to fight the perception that they care most about the rich; the Democrats have to make the case that they are ready to lead again, and counter a decade of charges that they are addicted to big-spending government programs and care most about the poor.

Today, some poll takers say, the middle class feels neglected by the entire system.

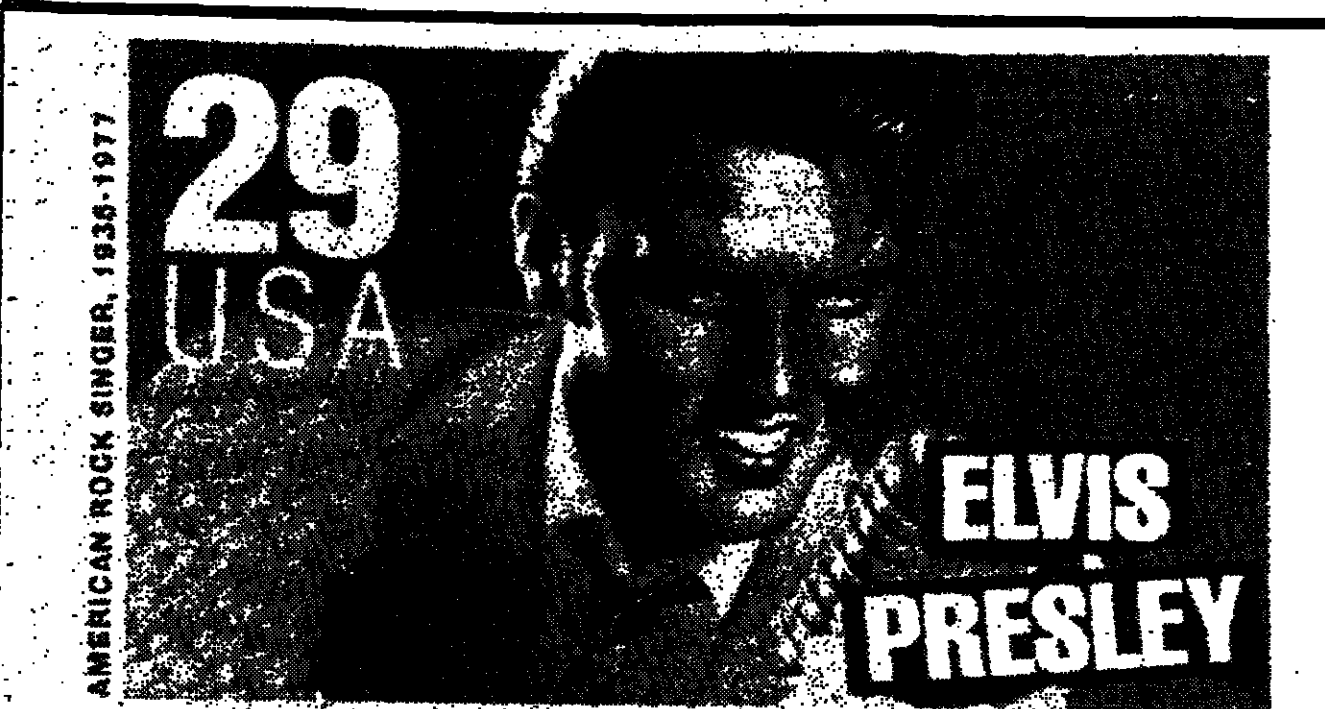
"Probably the single biggest point of consensus among voters today is that the middle class is ignored by the

political system and paying a steep economic price for it," said Geoffrey Garia, a Democratic poll taker.

Many Democratic strategists say that they have learned from their mistakes in the 1980s, when middle-class voters defected in droves as Republicans portrayed the Democrats, again and again, as a party outside the mainstream.

Values were an important part of the Republicans' appeal to middle-income voters, many strategists say. This year, in addition to their economic promises, the Democratic candidates talk often of their party's commitment to the traditional values of hard work, personal responsibility and patriotism.

Senator Tom Harkin of Iowa, for example, talks of his small-town roots and the values it gave him. Senator Bob Kerrey of Nebraska talks of the yearning of parents that their children surpass them. Mr. Clinton talks of the need for greater personal responsibility in welfare programs and corporate suites.



STAMPACT — One of 30 proposed renderings for an Elvis Presley commemorative stamp to be issued in January 1993. The U.S. Postal Service will decide on two final candidates, but the public will determine which one the stamp bears. The likenesses will be on 3 million postcards distributed to post offices nationwide; customers can check their preference and mail the cards to the service.

AMERICAN TOPICS

To Take Off or Abort? Helping Pilot Decide

The airliner roars down the runway but something's not right. The pilot has seconds to make a life-or-death choice — take off or abort?

A new system tells the pilot which is the better decision.

Engineers at the Research Center of the National Aeronautics and Space Administration in Langley, Virginia, have developed a system that computes all the factors relative to takeoff. It shows when a problem reduces acceleration and tells a pilot whether he should continue the takeoff or stop.

James W. Leland, a retired air force pilot, has independently developed and patented a similar system he estimates would sell for \$10,000.

But don't expect either device on your next commercial flight. Airplane manufacturers say it would cause too many unnecessary aborted takeoffs. And an aborted takeoff at high speed can also cause accidents.

"This is an instrument whose time is long overdue," said Don Cornwall, a pilot and

member of the Airworthiness and Performance Committee of the Airline Pilots Association. "We have to basically guess whether to go or to stop. That's not a good situation for commercial aviation."

NASA researchers said they had found no company willing to manufacture their device. Mr. Leland said he was also turned down.

Short Takes

A woman whose son was slain by a serial sex killer has been awarded \$5 billion by a jury in Kansas City, Missouri. The finding means the murderer will never profit from his crimes, the woman's lawyer, Martin Meyer, said, adding that the award might be the largest ever in a wrongful-death case.

His client, Betty Ann Haste, had sued Robert Berdella, 42, who is serving a life sentence for murdering her son, Todd. Mr. Meyer said that there was no hope of Mrs. Haste's collecting \$5 billion, but that the verdict would enable her to go after \$5,000 the killer has in a trust fund and to lay claim to any future income he might get.

Admitting to six murders from 1984 to 1987, he has talked about writing a book or selling the movie rights to his story, Mr. Meyer said.

Jails are becoming cleaner, safer and quieter thanks to a new technique called direct

supervision. The method — which means no violence, no noise, no graffiti — has been around for several years but is just now catching on. The rationale is simple: A prison officer with intensive training in getting along with people is locked in with the inmates while they pass their daytime hours in a large common room. The officers, as in traditional prisons for guards who are in direct contact with inmates, are unarmed. But in traditional jails, inmates are left alone most of the time to try to work out — or to fight over — everything from who controls the television to who protects the weak. Prisoners like the new system, too, because they spend less time in their cells.

Largely because of lobbying by American Indians, Congress last year voted to rename the Custer Battlefield National Monument in Montana the Little Bighorn Battlefield National Monument. But this was not Custer's last stand. The Chamber of Commerce of New Rumley, Ohio, where George Armstrong Custer was born in 1838, has started to raise money to build a museum alongside the present larger-than-life-size monument of the general. Officials of the depressed town say they hope the museum will become an attraction for tourists whether they favor Custer or the Indians or have no particular preference.

Arthur Higbee

TV Shows Fuller Tape Of Bush's Collapse

Compiled by Our Staff From Dispatches

TOKYO — Graphic television images of President George Bush collapsing at a Tokyo banquet ran for the first time on Japanese television Sunday after being shown Saturday evening in the United States.

The Japanese broadcasting company NHK, which previously had shown only footage beginning shortly after Mr. Bush was taken ill at Prime Minister Ritschi Miyazawa's residence on Wednesday, broadcast an earlier sequence from the same film Sunday on its evening news.

The sequence, taken by an unmanned camera set up facing the head table at the banquet, showed a seated Mr. Bush nod his head and start to fall.

After a break — to pass over what a reporter who saw the entire film said showed the president vomiting — the film picked up Mr. Bush's wife, Barbara, hurrying to wipe her husband's mouth and an aide leaping over the table to help him.

In the United States, ABC News broadcast the same version of the videotape.

ABC officials in New York said that until the Washington Post reported the existence of footage showing the entire episode of Mr. Bush's collapse, the only tape they were aware of was the one that had been broadcast initially by NHK, showing Mr. Bush after he had fallen from his chair.

Because of ABC's cooperative arrangement with NHK, a monitor in ABC's Tokyo bureau taped the entire broadcast of the state dinner.

"It was NHK's camera that was rolling," said Daphne Polatky, ABC spokeswoman in Washington. "The picture that was being broadcast was taped by our Tokyo bureau." An NHK spokesman has confirmed that one of its cameras had been left on after reporters and cameramen were told to leave the banquet room.

When Mr. Bush was taken ill, he said, the incident was captured on film that passed automatically to the NHK control room, and the unedited footage was apparently relayed live to four foreign networks — ABC, ITN of Britain, ARD of Germany and KBS of South Korea.

The spokesman said he did not know if networks other than ABC were recording at the time.

Miss Polatky said that when ABC was unable to obtain a copy of the tape directly from NHK, the ABC Tokyo bureau began to screen unmarked rolls of tape from the week. She said the bureau would have taped anything broadcast by NHK because of its arrangement with the Japanese network.

The NHK tape recorder, which was not switched on until a few moments after Mr. Bush slumped to the floor, produced the images that swept the world on Wednesday. They showed Mr. Miyazawa cradling Mr. Bush's head and then the president being helped up and walking shakily from the room.

Doctors diagnosed stomach flu and said that Mr. Bush, 67, fit enough to carry out a shortened program in Japan on Thursday before flying home Friday.

Mr. Bush's health has been an issue of public concern since he was taken to a hospital in May with an irregular heartbeat, later found to have been caused by a thyroid problem. (Reuters, W7)

A Dose of Glasnost for the CIA? Agency Panel Urges Declassifying Many Documents

By Elaine Sciolino
New York Times Service

WASHINGTON — A panel established by the director of central intelligence, Robert M. Gates, to explore ways to lift the veil of secrecy at the agency has recommended declassifying vast quantities of older documents and making agency officials more accessible to the public.

Intelligence officials say the internal panel has sent Mr. Gates a list of options that also include more on-the-record interviews, public speeches and public testimony to Congress by senior agency officials, as well as the release of new material to complement the current publication of maps, world fact books and economic reports.

The study group, the Openness Task Force, is one of about a dozen that Mr. Gates set up soon after taking office in November to study ways to reorganize the intelligence bureaucracy. Among the aims were to eliminate duplication, to give the White House and other policy-making agencies sharper reports on world developments and to ensure that the reports were not slanted for political purposes.

The internal soul-searching stems from the pragmatic concern that in a world where the traditional enemy has ceased to exist, the intelligence community must justify its billion-dollar salaries and thousands of analysts and spies.

Under the openness panel's most sweeping recommendation, the

CIA would declassify millions of pages of documents, some of them dating to World War II, and would publish a comprehensive inventory of materials available to the public, perhaps via computer data bases.

The officials who spoke about the panel's recommendations did not say how recent the declassified documents would be, or whether some categories of older documents would still be withheld.

Mr. Gates is expected to make his decision on the recommendations of this and the other study groups at the end of the month. A strong proponent of more openness during his Senate confirmation hearings, he is likely to accept many of the proposals.

But it is not clear how quickly the agency could carry them out. Declassification would require a substantial infusion of manpower at a time when the agency is cutting back its work force from the current level, estimated at 20,000 people.

Mr. Gates previewed the new trend during his Senate confirmation hearings in September, when he said that the CIA and its sister intelligence agencies needed to develop "better popular understanding and support" through "greater openness."

In a blunt admission, he said that the intelligence agencies "must change and be seen to change, or confront irrelevance and growing sentiment for their dismemberment."

Mr. Gates also suggested a broad

review of the rigid system under which government documents are routinely classified, often with little regard to whether their disclosure would damage national security, and thereby relegated to the black hole of secrecy.

Congressional efforts in recent years to make public the total amount of money spent on intelligence — widely believed to be about \$30 billion — have failed.

In his testimony, Mr. Gates acknowledged that the steps required for greater openness were likely to be "painful and controversial." Even the issue of revealing the budget figure is "very controversial" within the CIA, he said, because it is widely felt that such a revelation would only whet the appetite for more information.

Some agency officials have expressed concern that a move toward openness can only widen what Mr. Gates himself has described as the "very real" divide between the analytical side of the agency and the operations side, which conducts activities in the field. These officials argue that there are real limits to just how public the intelligence world can become without exposing sources.

"The basic problem is and has always been that there remains a natural clash between the desire to get out information while at the same time protect human sources and keep secret the methods by which the information was obtained," a veteran intelligence official said.

El Salvador Sifts Out 'Abusive' Officers

By Lee Hockstader
Washington Post Service

SAN SALVADOR — The Salvadoran military, facing an uncertain future as a peace force under civilian scrutiny, has announced a shake-up that swept aside several top officers who had been criticized by the United States and human rights groups as abusive and inept.

The action stopped short, however, of removing several officers criticized as hard-liners.

The armed forces, funded largely by U.S. military aid, have moved slowly to purge officers accused of corruption and incompetence despite behind-the-scenes U.S. pressure.

U.S. advisers have insisted that they wield little influence in shaping the Salvadoran military hierarchy. But critics have rejected that view, pointing to \$1 billion in U.S. aid to the armed forces since 1980.

Under the peace accord signed New Year's Eve to end the coun-

try's 12-year-old civil war, the armed forces are to be vetted starting later this year by a three-member civilian committee to weed out corrupt, abusive and inept officers.

In the shake-up, which was announced Saturday, two officers singled out for U.S. criticism in the past were removed from powerful troop commands.

Colonel Francisco Elena Fuentes, who had been the infantry brigade commander in San Salvador, was named delegate to a regional

association for Central American armies based in Guatemala.

Colonel Cirio Lopez Roque, whose competence had been challenged by U.S. advisers, was removed from his post in eastern El Salvador and named director general of the national police.

Although that police agency now falls under the armed forces, the national police force is to be dissolved this year under the peace accord and will be replaced by an all-civilian force.

QUAYLE: A Shortage of Moral Weight, Maybe, but Not of Ambition

(Continued from page 1)

are far more skeptical about Mr. Quayle's readiness. They said that although his staffs have been studied with exceptionally bright aides, Mr. Quayle's mind is anything but rigorous. They described him as someone who relies on oral briefings, seems to retain little from what he reads and often gives the impression that he is satisfied with a surface brush-by that barely reaches beyond the bumper-sticker level of sophistication.

Mr. Quayle is less a man of ideas than he is a tactician who relies on his "people smarts" to gain a competitive edge and achieve his goals. "You do the policy, I'll do the politics," he told Robert M. Gutman, whom he hired the Library of Congress professional as his top domestic assistant in the Senate.

The quality of Mr. Quayle's political judgment was him respect inside the administration. Former White House chief of staff John H. Sununu and his successor, Mr. Skinner, said they had relied on Mr. Quayle's assessments of the congressional and national scene.

Mr. Sununu described Mr. Quayle as "somebody that we go to for a reality check" and "for a political check, for a substance and policy check." Mr. Skinner added: "He can do it in a clinical way, not an emotional way."

By his own testimony and that of staff aides, Mr. Quayle absorbs more substantive information through his ears than through his eyes. He attributes that to his 12 years in Congress, where most information comes, he said, "orally," through hearings and briefings, "than by reading. He and his aides said he can readily recall what he has heard."

When Mr. Mondale offered Mr. Quayle some suggestions on the vice presidency after the 1988 election, he said he emphasized one point: "Don't trivialize yourself."

"raised in a Christian home, by a Christian family." Like many others in public life, he argues that there can be no absolute barrier between church and state.

"You can't separate ethics from public policy," he told a Methodist group last summer. "You can't separate morality and good government."

"I have to wonder how much better life would be today for millions of Americans, especially women and children left behind in

poverty, if our churches had concentrated on personal morality instead of public policy."

Marilyn Quayle and many of the Quayles' friends suggested that religious faith and a naturally upbeat disposition enabled Mr. Quayle to get through the 1988 campaign and the ridicule he has encountered as vice president without any apparent resentment.

The 1988 campaign included "a lot of pain" and "some very dark moments," Mr. Quayle said. But, he added, "I think what I sort of recall against is that the whole vice presidency has been a long, dark journey. That is not a fair description. It's been a wonderful opportunity and a wonderful job and I thoroughly enjoy it."

Mr. Quayle is generally perceived as a conservative. John Walda, his 1978 opponent for the House, called him a typical "anti-establishment, anti-government, trash-the-bureaucracy type." He added, "I really think he was deeply committed to the New Right standards."

But Mr. Quayle's conservatism almost always appears tinged with political calculus. Within the family, friends said, he is subjected to scintillating rebukes for "liberal tendencies" from his father, James Quayle, a former member of the far-right John Birch Society.

A vital link with the right is his chief of staff, William Kristol, 36, the son of the neoconservative author Irving Kristol and the historian Gertrude Himmelfarb. As well-connected to Washington's conservative think tank-political-

journalistic network as anyone Mr. Quayle could have found, Mr. Kristol brought Mr. Quayle "instant credibility when he badly needed it," according to one operative on the right.

Like many of the neoconservatives on his staff and among his outside advisers, Mr. Quayle is an ardent defender of Israel. Although he says "the Jewish community in Indiana opposed me very vigorously in 1980," when he challenged the incumbent Democrat, Birch Bayh, he was a reliable vote for Israel in the Senate and is a favorite among American Jewish organizations.

Mr. Quayle has been counted as an ally by anti-abortion forces from the beginning of his career. But he has never made the controversy a centerpiece of his own politics. When Senate Republican leaders urged him to join the Judiciary Committee, Mr. Quayle told them he did not want to spend his time wrestling with the social-issue agenda.

Asked about the Supreme Court's Roe v. Wade decision, which established a constitutional right to abortion, he said recently, "I was never supportive of that decision myself because I think it went a bit far." And he added, "I would welcome it being overturned."

But he concluded, "My answer is political, not judicial."

Could a President Quayle "bring people together?" Could he unite and lead Americans from the White House? Could he even satisfy his own contemporaries that in him, they would have a suitable spokesman and leader?

In a final interview, Mr. Quayle seemed to accept Mr. Rudman's judgment that he still lacks the moral authority to be president.

"There were probably very few presidents in our history that had the moral authority before they became president," he said, citing three victorious generals — George Washington, Ulysses S. Grant and Dwight D. Eisenhower — as those who did. "Very few others," he said, "had moral authority before they came in."

"You never know until you come to that what kind of a president you can be," Mr. Quayle said. "The individual doesn't even know."

Pentagon Plans Troop DNA Bank

New York Times Service

WASHINGTON — The Defense Department plans to establish a repository of genetic information on all U.S. service members as a way of identifying future war casualties.

Samples of DNA, the basic material of heredity, will be obtained from blood samples and oral swabs. The samples will be added to existing fingerprint, dental and other records to produce a more comprehensive way of identifying the remains of war dead, the Armed Forces Institute of Pathology, which proposed the initiative, said.

"The establishment of this repository may very well mean that we will no longer have an 'unknown soldier' from future battle casualties," said Major Victor Weeden of the army, chief of the institute's Armed Forces DNA Identification Laboratory.

U.S. Widens Food Irradiation Debate Is Rekindled on Technique to Extend Shelf Life

By William Booth
Washington Post Service

MULBERRY, Florida — A batch of fresh strawberries has gone through the first U.S. food irradiation plant, which bathed the fruit in the gamma-ray glow of radioactive cobalt-60 before shipping the berries to an undisclosed grocery.

For years, food irradiation has been the subject of angry debate and intense research. Thousands of laboratory rats have been fed a mountain of irradiated food to test its safety, and there have been dozens of hearings, reports and investigations.

The technique is generally hailed by food researchers and the government as a safe way to slow spoilage and kill disease-causing organisms that poison poultry, pork and seafood.

It is approved in 32 countries, including Britain, France, Germany, Israel and Japan, and has been endorsed by the United Nations World Health Organization and the UN Food and Agriculture Organization.

But a small number of anti-nuclear campaigners and opponents of food irradiation in the United States says the process is too unsafe or uncertain for widespread use. Some are threatening to chain themselves to the gates of the Vandicor Inc. plant here, or to follow and boycott food leaving the plant.

"Why are we taking such a huge risk with such a frivolous technology?" said Michael Colby, director of Food & Water, a New York-based group dedicated to stopping food irradiation. "I think it's a travesty."

Anti-nuclear campaigners say irradiation changes the nature of food and creates chemicals that cause cancer and birth defects. Almost all academic and government food researchers deny that.

"We haven't found a thing wrong with it," said Dean Cliver of the Food Research Institute at the University of Wisconsin. "Those of us who have studied irradiation and have eaten irradiated foods would like to be able to buy it at the grocery store. They don't have to eat the stuff. But I want the option. It's safe."

At the new \$8 million Vandicor plant, an 1,100-pound (500-kilo) pallet of berries was unloaded from a truck Friday for the first voyage and placed on a conveyor carrying it into a chamber surrounded by concrete walls 6 feet (1.8 meters) thick.

during irradiation. If an intruder foiled motion detectors or other security precautions, exposure to cobalt-60 could cause death. When the strawberries were locked inside the chamber, a rack rose from a deep pool of water, carrying 40 pencil-thin wands of the radioactive isotope.

The process works because cobalt-60 emits gamma rays, which are highly energetic and can knock electrons off atoms inside fruit, vegetables or meat. This destabilizes life's master-molecule, DNA, crippling and eventually killing bacteria. The rays also retard maturation by altering cells that release chemicals causing food to ripen and ultimately rot.

The strawberries spent 57 minutes in the chamber, pioneering slowly around the cobalt-60. Then the wands descended back into the water, and the gamma rays instantly disappeared. They do not linger and do not make food radioactive.

The strawberries continued their journey to an undisclosed store, their shelf life extended from days to weeks.

"You drive a forklift, turn a key and lock a door — that's food irradiation," said Harley Everett, executive vice president of Vandicor. "It's a total no-brainer."

Nothing inside the plant can melt down. Nothing nuclear can blow up. Mr. Everett said that if the tank water leaked, the water would not be radioactive because cobalt-60 is not water soluble. But to keep it from inadvertently irradiating people or things, the cobalt-60 must remain covered by water.

Critics of the procedure say they will keep an around-the-clock vigil in Mulberry and would alert colleagues elsewhere that shipments of irradiated food are coming their way. Protests and boycotts, they say, will follow.

Anti-irradiation campaigners have temporarily persuaded at least two major grocery chains and several prominent food processors not to sell irradiated goods.

The Food and Drug Administration has approved irradiation for whole foods, including fruits, vegetables, poultry and seafood. Spices have been irradiated for years in plants used for sterilizing hospital gowns, surgical gloves, bandages and other items.

Ex-Mayor Sent To Prison With Higher Security

Washington Post Service

WASHINGTON — The former mayor of Washington, Marion S. Barry Jr., has been transferred to a medium-security federal prison in Loretto, Pennsylvania, a prison spokesman said. Mr. Barry's lawyers said the transfer apparently was punishment for his alleged sexual misconduct with a woman in a visiting room.

Mr. Barry was taken on Friday evening from the minimum-security federal prison camp in Petersburg, Virginia, in leg irons and handcuffs attached to a waist chain, according to a prison employee, who asked not to be identified. Daniel Dunne, a spokesman for the Bureau of Prisons in Washington, declined to acknowledge any disciplinary action against Mr. Barry.

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Herald Tribune

Published With The New York Times and The Washington Post

Americans and Japanese

In the inevitable flurry over the political scoring of George Bush's trip to Japan, too little attention has been directed to an appreciation of the United States' relationship with Japan.

seemed right last year. The then pending 50th anniversary of Pearl Harbor offered a perfect occasion for symbolic reconciliation and renewal.

America With Europe

Given the collapse of the Soviet Union, Washington is right to withdraw most of its military might from Western Europe.

Economic recovery is the best antidote to insecurity in the center of Europe. And America's aid, and presence, would be welcome along with Germany's.

Post-Soviet Nuclear Sales?

Italian investigators seize Soviet plutonium bound for parts unknown. Libya reportedly tries to recruit Soviet scientists.

The Soviet threat, that is something that Washington can well afford to do. Dismantling the arms will free up uranium and plutonium suitable for bomb-making.

Other Comment

Poor Prospects in Yugoslavia
If the EC and UN efforts to bring peace to Yugoslavia are to have any success, the cooperation of the Yugoslav federal army will have to be sought.

Bush's Gulf Peace Looks Less Successful Than His War

By Jim Hoagland

WASHINGTON — Palestinian negotiators arrived in Washington to resume American-sponsored peace talks with Israel last week at about the same time that the PLO leader, Yasser Arafat, quietly slipped into Baghdad to visit his old patron, Iraq's still-standing and defiant tyrant, Saddam Hussein.

An Egyptian social scientist responds that Jan. 16 was the beginning of the nakba, or calamity, a popular name for the Arab civil war that Desert Storm helped bring to a head.

The presence in Washington of the Palestinian negotiators, a presence blessed by Mr. Arafat and his Palestine Liberation Organization, is proof of that.



By EWK in Alrothman (Stockholm) CAW Studios

"We have no idea why Arafat is doing this now," said one senior U.S. official monitoring his movements. "If you give him the benefit of the doubt, you would conclude that it is simple stupidity."

Such contradictory behavior by Palestinian representatives is indicative of the complex and untidy transformation that has swept the Middle East since American bombs began to fall on Baghdad one year ago this week.

power or clear political direction. As Mr. Bush reviews his notes for anniversary remarks, he will be able to conclude honestly that, on balance, the accomplishments of Desert Storm have not been erased or eclipsed by the war's troublesome and at times tragic aftermath.

The unfinished nature of America's war against Saddam invites conflicting interpretations of even the significance of the Jan. 16 anniversary.

Ask an official from Israel, the multinational coalition's "silent" partner, what anniversary falls this week and he will say that it is the anniversary of the first Scud attacks on Israel, an event that naturally weighs more heavily on Israeli consciousness than does the American victory in Kuwait.

A President's War, Launched 'on His Word Alone'

By Anthony Lewis

NEW YORK — The Constitution supposes that the executive is the branch of power most interested in war, and most prone to it.

On Oct. 31, the president decided to double the deployment to open the way for offensive action against Iraq. He did not announce the increase until Nov. 8, after the congressional election.

A year ago this week the United States went to war against Iraq. How much the war achieved, at how great a price in human devastation, remains a matter of debate.

On Dec. 29, he gave the order for war. He told General Colin Powell to attack starting at 3 A.M. on Jan. 17 if Iraq had not withdrawn from Kuwait.

On the morning of Aug. 2, President Bush told reporters, "We're not discussing intervention."

Never at any moment in that process did the president doubt his power to take the country into war. Just before Christmas he told ambassadors of the coalition countries that if he decided to go to war, he would do so whether Congress agreed or not.

Over the next few days Mr. Bush and his aides pressed Saudi Arabia to ask for American troops.

With that many soldiers on the ground, with the public aroused by the president's talk of Saddam Hussein as Hitler, Congress had no real option but to ratify the undisclosed decision for war.

move beyond the hostage problem. "We kept being told the captors were having technical problems."

The United States is prepared to discuss resuming diplomatic relations with Iran now that the hostages have been released.

American suspicions have been reinforced by reports that Tehran has bought significant amounts of arms from the disintegrating ex-Soviet army and is pursuing a nuclear research program with the help of China and other countries.

A major disappointment for the Bush administration has been the failure of Saudi Arabia and other conservative Gulf states to agree on regional security arrangements that American planners had hoped would lead to an effective Arab deterrent force.

The larger hopes that Mr. Bush and his advisers held for the meaning of the swift victory in Kuwait have also proved elusive.

"Now we can see a new world coming into view. A world in which there is the very real prospect of a new world order... in which the principles of justice and fair play protect the weak against the strong... Our success in the Gulf will shape not only the new world order we seek, but our mission here at home."

But the new world has proved to be closer to a vision projected about the same time by the Harvard professor Samuel Huntington, who foresaw "a more jungle-like world of multiple dangers, hidden traps, unpleasant surprises and moral ambiguities, replacing the black and white, bipolar world of the Cold War."

"Americans were not simply introduced to the new world, they were immersed in it" by the Gulf crisis, adds Les Aspin, the Wisconsin Democrat who chairs the House Armed Services Committee and one of the chief congressional architects of the force that carried out Desert Storm.

In a set of incisive speeches during the past three weeks, Mr. Aspin faulted the Bush administration for not following up on victory in Kuwait and on the demise of the Soviet Union.

That is that there is something like a new world order, which will not only punish but also disarm aggressors as long as the international community keeps its will and America and her allies stand ready to act with force and dispatch.

Most would-be Saddams seem to have got that point. Among them he stands out as, in Lenin's caustic phrase, "a useful idiot," whose actions produced exactly the opposite effect to that he had intended.

True, Japan is not the model free-market country — quite the contrary. It follows that not all trade bargaining with Japan can be dismissed as bullying, any more than all American criticism of Tokyo's trading practices can be dismissed as Japan-bashing.

There are other ways to make the United States more competitive — by self-administered doses of political, economic and social discipline. These approaches, rooted in politics much more than in diplomacy, are harder and slower to apply but better calculated to work and more consistent with other, abiding American foreign policy interests.

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Turning Minds to the Matters at Hand

By Stephen S. Rosenfeld

WASHINGTON — George Bush's trip to Japan may not go down in history, but it will certainly go down in politics. It was the first major exercise in leading post-Cold War foreign policy with an election-year political strategy.

item of executive pay. President Bush presumably thought he had an escort of effective lobbyists. Actually he had an entourage that spotted his case by shifting the focus of the finger-pointers from Japan's trading sins to America's industrial incompetence.

There are many ways that Washington can help hang a "no sale" sign on Soviet nuclear arms before it is too late.

political muscle to induce foreign governments to make economic decisions they would not make on strictly economic grounds.

Moreover, those circumstances are shrinking. The Cold War gave others, like Japan, political and military reason to heed special American economic pleading. The end of the Cold War releases all sides to free-market decisions.

It remains only to note that punitive legislation, on the model supported by some Democratic legislators and would-be presidential nominees, is no better.

Would-Be Saddams Heard the Message

THE air phase of the Gulf war opened one year ago this week. Why has it become so fashionable to decry the great victory over Saddam Hussein? As things stand, and despite the determination of critics to ignore what stares them in the face, Saddam has been left a humbled and largely powerless figure.

His oil income is mortgaged to reparations, which he must pay to Kuwait out of what he is allowed to sell as a first charge. Reparations slow the reconstruction of his essential services. Little can be scrapped together to buy weapons, the sale of which is in any case embargoed.

That is that there is something like a new world order, which will not only punish but also disarm aggressors as long as the international community keeps its will and America and her allies stand ready to act with force and dispatch.

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OPINION

For Russian Renovation Within the Newly Chosen Limits

By Henry Kissinger

NEW YORK — Secretary of State James Baker has put forward four criteria for the admission of the new republics on the soil of the former Soviet Union into the community of democratic nations: democratic values and practices, the safeguarding of human rights and minorities, respect for borders and peaceful change, and the carrying out of international obligations.

No American can argue with these principles. However, in the light of his-

For the first time in two centuries, Eastern Europe, the Baltics and the Balkans would be insulated from Russian military pressure.

torical experience and the tensions within and between the various republics, these goals may not be reached for many years, if ever. If America holds its policy hostage to their fulfillment, it faces two risks. One is that it may strain to ascribe democratic virtue to leaders whose democratic rhetoric is only lip service to achieve a quite different political agenda. In that case, U.S. policy will be deprived of credibility and relevance.

Make Aid Conditional on Demilitarization

By Nicole Ball and Robert McNamara

WASHINGTON — When some 60 countries meet in Washington later this month to discuss aid for the former Soviet republics, they should link long-term economic and technical assistance to progress in shifting priorities from the military to economic development.

This demand would not be unprecedented: Leaders to some Third World countries have started to put such conditions on their aid.

Although 11 of the new republics agreed last month as members of the Commonwealth of Independent States to a unified nuclear command and a timetable for destroying or removing nuclear weapons from Belarus and Ukraine, substantial uncertainties remain. Kazakhstan has said it intends to retain a nuclear power as long as Russia does. Neither the START treaty, which would reduce strategic weapons by about 25 percent, nor the treaty on conventional forces in Europe has been ratified.

Ukraine, Azerbaijan and Moldova are setting up independent armies. Ukraine alone has plans for a standing force of 450,000 troops. And Boris Yeltsin, Russia's president, has challenged Ukraine's claim that it should control the Black Sea fleet of the defunct Soviet Union. All this suggests that the republics may continue to devote substantial resources to the military. Not only would this run counter to U.S. and European efforts to shrink military budgets, it would also absorb

Or else, finding American hopes unfulfilled, a policy of "constructive engagement" could turn into a vehicle for disengagement. The United States would then soon discover that the territory of the former Soviet Union is too critical to the peace of the world to permit American disengagement, whatever the reason.

The evolution of the new commonwealth is bound to be long and painful, and it may be violent. The various republics were glued together forcibly over four centuries under the aegis of what is today the Russian Republic, which stifled local initiative and filled the key governmental posts with Russians. Inevitably, the new commonwealth reflects a mélange of motives.

Most Russian leaders see it as a way to keep alive what can be salvaged of the traditional union and perhaps of Russia's historic domination. The larger republics such as Ukraine, Belarus and Kazakhstan consider the commonwealth a regrettable halfway house on the road to full independence.

The ambiguity of the founding document reflects these crosscurrents. Neither the competences nor the composition of the commonwealth ministerial committees which are supposed to "coordinate" the republics has been spelled out. The

Council of Heads of States of the republics is to make decisions by consensus, which sounds unworkable. Ukraine has so far refused to consider a commonwealth constitution.

Even the military arrangements, comparatively the most clear-cut, remain controversial. Belarus and Ukraine have declared that they will give up the tactical nuclear weapons on their territory only for the purpose of facilitating their destruction. Tactical nuclear weapons are supposed to be moved to the Russian Republic for that purpose by July 1, 1992. Yet the mechanisms neither for transfer nor for destruction have been spelled out.

What should be the American attitude in the face of such looming controversies? The principles articulated by Secretary Baker relate primarily either to the procedure for settling disputes or to the internal evolution of the various republics. They do not address the American interest in the structure emerging over the entire area of the former Soviet Union.

Yet of all the countries of Europe, the Russian empire under czar or commissar has always been the most restless. It engaged in more wars than any European country, expanded in all directions and still felt permanently threatened. The more polyglot the empire became, the more vulnerable it felt. To sustain its rule, it invoked outside dangers greater

forces treaty, limit arms buildups and convert military industries to civilian use.

At the conference on aid in Washington, the United States and other donors should begin discussing how to make economic and technical assistance contingent on these and similar policies, such as ratifying the START treaty and reducing military expenditures.

In line with the mandate received from its board last fall, the IMF should review the republics' military budgets and make its findings available to the World Bank, the European Bank for Reconstruction and Development and the OECD. That way all aid decisions will be based on the same information.

Tying economic aid to limits on military spending is a sensitive issue that has at times led to charges of meddling. Nonetheless, many leaders argue that when military budgets undermine development efforts, aid should be reduced.

By making clear that the military cannot take precedence over development, the United States, other donor countries and the lending institutions can ensure that the \$50 billion to \$60 billion they provide annually will help, not hinder, the creation of a more peaceful world.

Nicole Ball, a visiting fellow at the Overseas Development Council, and Robert McNamara, U.S. secretary of defense from 1961 to 1968 and president of the World Bank from 1968 to 1981, contributed this column to *The New York Times*.

than the tensions between its subject populations. In time, these convictions turned into a self-fulfilling prophecy.

On the one hand the czarist and Soviet empires grew into a permanent threat to the balance of power all along their vast peripheries in Europe, in the Middle East and in Asia. On the other hand, these empires twice saved the independence of European nations because, without their contribution, Napoleon and Hitler would have prevailed. Thus, America's interest is to see emerge a confederation strong enough to assure the security of its peoples but not cohesive enough to initiate aggression.

If that should become the shape of the new commonwealth, the pattern of world politics would change. For the first time in two centuries, Eastern Europe, the Baltics and the Balkans would be insulated from Russian military pressure. In turn, Russia would have a security belt against invasions from the Crimea and, as insurance, would retain its vast nuclear arsenal as well as the largest population of any European state.

In a loose confederation, the huge resources heretofore sacrificed to foreign adventures would become available for the well-being of its own population. The domestic progress of the peoples of the commonwealth could be synchronized with the rest of Europe, perhaps in association with the European Community.

At the same time, statements by Russian leaders suggest that the proclivity for domination, demonstrated over 300 years, has not been wholly eradicated. There is the warning that seceding republics cannot take their Russian populations with them, a hint of potential ethnic quarrels reminiscent of Yugoslavia. There is an ominous unilateralism about economic policy using Russia's control over resources such as oil to force the other republics to fall in line or suffer the consequences.

The pledge of inviolable borders is ambiguous. In previous draft agreements, Russia made its acceptance of the other republics' borders depend on maintenance of central institutions; it has since remained silent on the issue.

I have the highest regard for Mr. Yeltsin's courage in opposing the Communist establishment and for his energy and skill in shaping the commonwealth. Early on I urged that he not be treated so grudgingly. The fact remains that Russia's prickly nationalism has been a perennial force.

Nor can Russia's long-term behavior be deduced from its pliability during a period of extreme dependence on the outside world. In fact, it is likely to re-emerge as the dismantling of the Gorbachev era is completed, and nationalism may be seen as a tempting unifying force during the inevitable stretch of austerity that lies ahead.

The United States faces two challenges which may seem contradictory but are in fact quite complementary. On the international scene, it should work closely with Russia because a non-expansionist Russia would have many a

clashing interest with America. A Russia for the first time concentrating its vast talents on the well-being of its population should receive American encouragement and support to help it surmount its Communist past.

But the welcome vista of close cooperation on the international scene should not lure America into inadvertently encouraging Russian domination of the other peoples of the former U.S.S.R.

A lasting structure of peace requires close cooperation between Washington and Moscow, the capital of a nuclear power stretching across 11 time zones. But this will work only if it is made compatible with the existence of independent countries on the territory of the former Soviet Union. For attempts to recentralize that vast territory would require methods, policies and justifications bound to rekindle tensions reminiscent of the Cold War.

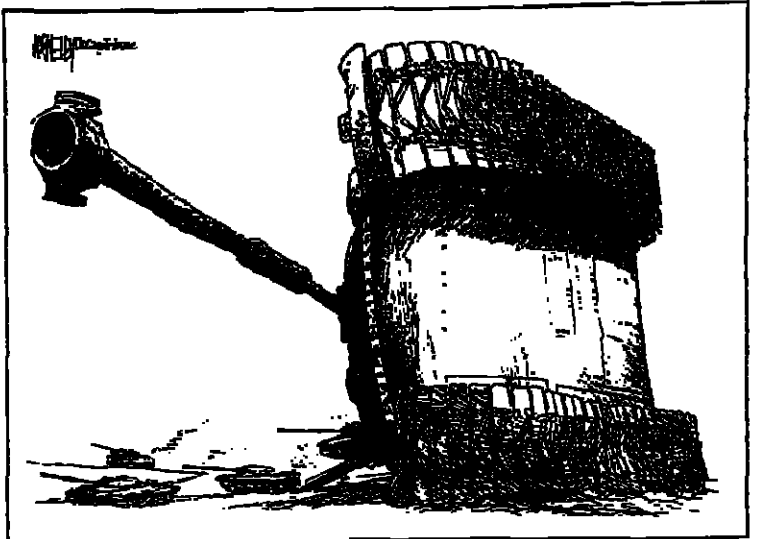
American officials could unintentionally contribute to a dangerous recentralization if they failed to understand that their invocation of America's sacrosanct language could incur quite another

The historic opportunity for peace resides in pluralism among the republics, and in a close and confident U.S. relationship with a Russian Republic that is non-expansionist for the first time in its history.

meaning in the context of Soviet and Russian history.

When American officials bestow the appellation "democratic" on particular leaders, they often confer a courtesy title that reflects a hope rather than the actual record. Almost without exception, the leaders of the new republics achieved high office as officials of the Communist Party. The same is true of most of the industrial managers. Their adaptability to nationalist slogans and democratic rhetoric is a tribute to their finely honed skills for survival. It would be a mistake to treat anti-Stalinism as a fundamental conversion to democracy.

All factions in the former Soviet Union are fighting their battles in the name of democracy. Do we really know enough about the players to take stands in all the political contests now developing in faraway republics? How many of the civil conflicts are exacerbated from the outside, by old-line centralizers? We should be wary of encouraging efforts to recentralize the former Soviet Union in the name of loosely and perhaps cynically applied democratic rhetoric. Similarly, anyone brought up in the



American tradition will support the principle of protection for minorities. But in the Soviet context the issue of minorities merges with territorial claims: to the territory east of the Dnieper and the Crimea in Ukraine; to the eastern part of Belarus, to important regions of Latvia and Estonia. Care must be taken that a precious American constitutional principle not legitimize the forcible takeover of disputed territories on the Yugoslav model.

The window of opportunity for supporting pluralism may turn out to be very fleeting. In addition to fostering relations with the Russian Republic, Washington should therefore accelerate diplomatic, economic and cultural contact with at least the larger new republics.

Too often the United States displays toward the new republics the grudging attitude it exhibited toward Mr. Yeltsin in his relationship with Mikhail Gorbachev. Washington has been far more voluble in putting forward conditions for recognition of the new republics — other than Russian — than in defining opportunities for cooperation.

Some U.S. statements seem determined to enthrone the Russian Republic as the linear heir of czarist and Communist centralizers. This is in no one's interest. For it risks sacrificing vast opportunities for a genuinely new world order to unforeseeable civil conflicts and a possible civil war.

The United States should deal with the republics of the new commonwealth as it has dealt with the nations of Europe, and it should treat commonwealth institutions as it has those of the European Community. The United States has been meticulous about avoiding the principle of a dominant European country. The Russian Republic, as the most powerful of the successor states, will always have a major international role, an important place in American foreign policy and a leadership position in the commonwealth. But it should be encouraged to do so from within its boundaries and consistent with the spirit of the institutions it has helped to create.

It goes without saying that fostering equality in the commonwealth should be done in a way that does not create the impression that America is fomenting rivalries between the republics. It is sometimes argued that the pos-

session by Russia of a vast strategic nuclear potential imposes the need to differentiate in her favor. But if this were true it would encourage nuclear proliferation as an admission ticket to a special relationship with the United States. And it would be absurd to turn the sensitive issue of nuclear weapons into a tool of the centralizers. I simply cannot bring myself to generate nostalgia for the days when tens of thousands of nuclear warheads were aimed at the United States from a central totalitarian command and control system.

There are three aspects to the problem of nuclear control: technical safeguards, whose finger is on the trigger and the international political context within which the decision to use nuclear weapons may be made.

With respect to technical safeguards, everyone agrees that it would be desirable to destroy tactical nuclear weapons at agreed locations. What is undetermined is the process for doing so.

The question of whose finger should be on the trigger in the commonwealth has been resolved at least temporarily by giving control to the Russian president so long as he has the agreement of the heads of the other nuclear republics. This provision is only meaningful, however, if there are technical means by which the non-Russian presidents can give effect to their veto. If that is not done, we have returned to the previous state of affairs of unilateral central control.

American technical advice has been offered and can be important. But care must be taken that importing for central command and control not be used as a pretext to recentralize by force. For in the end the resurrection of a highly centralized empire will be politically a far greater danger to world peace.

The great historic opportunity for peace resides in pluralism among the republics of the former Soviet Union side by side with a close and confident U.S. relationship with a Russian Republic that is non-expansionist for the first time in its history. Such an architecture would open up unprecedented prospects for all the peoples of the world and especially for the long-suffering populations of the former Soviet Union.

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EAST CHINA FAIR '92



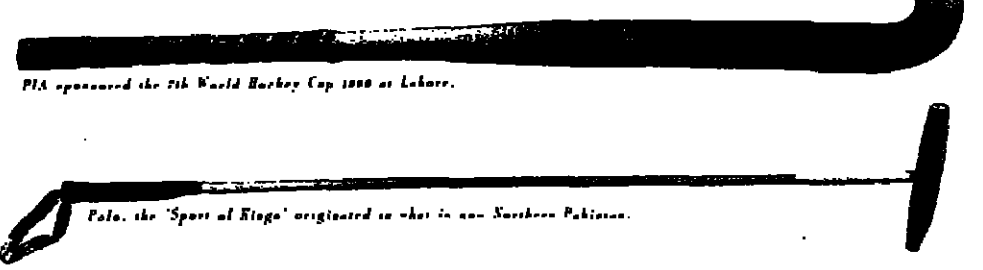
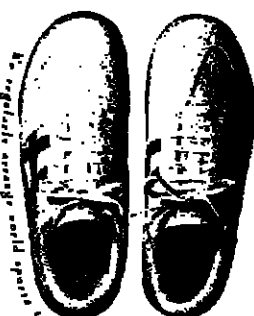
WELCOME

East China Fair '92 will be held at Shanghai Exhibition Centre from March 5th to 14th, 1992, while a subsidiary exhibition hall will be located in Shanghai International Exhibition Centre in Hongqiao Economic and Technological Development Zone. It will be a regional foreign economic relations and trade fair.

The Fair will display different kinds of products including oil and foodstuffs, native produce, animal by-products, textiles, silks, garments, light industrial products, stationery and sporting goods, arts and crafts, medicines and health products, machinery and equipments, instruments and electronics and so on. Both cash products and products from enterprises will be on display. Investments will also be on display. Various forms of business such as processing or assembling with supplied materials, compensation trade, joint and cooperative ventures will all be negotiable. Businessmen all over the world are warmly welcome.

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ALGERIA: Ruling Council Cancels Elections After President Resigns

(Continued from page 1)
elections, as it was widely expected to do.

A climate of uncertainty reigned over Algeria as the country seemed to drift without a president or parliament and only an interim government under the army's control.

The interim president, Abdelmalik Behabyles, 71, a former diplomat and president of the obscure Constitutional Council, a seven-man government-appointed body, nominally fills the post of president. But real power resides in the hands of Prime Minister Ghazali and senior army commanders.

Since the resignation of the president, signs have multiplied that the Algerian government was preparing a number of measures to

dismantle the democratic process that was started by Colonel Bendjedid in 1988.

Several Algerians and foreign diplomats said that the government of Mr. Ghazali, acting in close coordination with the army, was preparing to undertake measures to restrict parties, like the Islamic Front, that make religion the basis of their political philosophy.

It also appears, according to these Algerians, who asked not to be identified, that the government was considering postponing presidential elections. Under the constitution, these elections must be held within 45 days. The sources said, however, that the presidential vote would be pushed back to at least June.

Armored cars and tanks, which

were deployed throughout the capital Saturday night, were withdrawn in the early hours of the morning. But the army is still in a state of high alert and road blocks were expected to be set up.

On Sunday, Algiers was calm. Streets were busy with heavy traffic as they usually are on Sundays.

Colonel Bendjedid has made no comments since his resignation was aired live on public television Saturday night.

Some West European diplomats in Algeria said Colonel Bendjedid attempted early last week to reshuffle the chiefs of staff of the army to proceed with elections free of army pressure. But on Thursday, the top military command told him that it would not obey these orders and suggested instead that he resign.

"The FIS had thought of all the scenarios but not this one," a former senior official of the ruling National Liberation Front said, referring to the Islamic Front's apparent confusion following the president's resignation.

"We need time to stabilize the country, starting with the economy, and to prepare the society for true democratic practices," said the former senior official, who is familiar with the army's thinking. "What we had this time was chaos, not a free election."

The official said that the president's resignation entailed a legal freeze on any legislative elections and avoided the impact of a forced removal or a coup, although this is not clearly stated in Algeria's vague constitution.

FRIENDS: U.S. and Allies Come to Grips With Post Cold-War Realities

(Continued from page 1)

left with each republic president as the minimum they must meet to qualify for American recognition and aid. The list includes such points as the need to support democracy, rule of law and human rights.

It was striking, if not a bit frightening, though, to watch during Mr. Baker's recent tour of Soviet republics how effortlessly the presidents of these new states read back to him the democratic cue cards he held up to them.

"Just tell us what to say," they in effect told the secretary. "We support free markets. We support free elections. Now please give us your recognition and aid."

The question is: Are these born-again democrats just fooling themselves, or are they fooling America, too? Clearly, the administration has not been fooled by Mr. Gamsakhurdia. But how about some of the others?

There is an almost willful inno-

cence among the American officials now dealing with the new republic leaders — an irresistible desire to believe that these wily former Communists, these men who come from lands with cruel histories and well-honed habits of telling the czar in Moscow whatever he wants to hear to keep him at bay, have indeed been reborn.

Sorting out the fakes in this group from the real gems presents two difficult challenges for Washington.

To the extent that Washington intends to base policy on encouraging and rewarding movement toward democracy by new states, "it is going to have to articulate a larger notion of what constitutes democracy," argued a Harvard University political theorist, Michael J. Sandel. Washington can no longer simply use the mantra of free elections, or Mr. Baker's five points, as a facile summation of democracy.

Free elections are a necessary condition for democracy, but by no means a sufficient one.

"For years, we have just pressed a shorthand version of our values — free elections and free markets — without realizing that the fullest expression of our values required more," Mr. Sandel said.

"Democracy is more than just a procedure for electing officials — it is a way of life and a set of traditions and institutions. Most impor-

tantly, it requires an independent judiciary that can enforce rights, protect the opposition and ensure that not only are elections democratic but that daily life is democratic as well."

But the second challenge is how far to take these concerns. After all, why should the United States care whether Mr. Yeltsin is a real or fake democrat, as long as he supports American interests?

The simple answer is that to the extent that Russia is a democracy it will be much less of a threat to the United States, since democracies are less likely to initiate wars. But Russia is the easy example.

Washington will want and need relationships with a number of the new republics — like the oil-rich and nuclear-armed Kazakhstan — for reasons of good old power-politics: so it can counterbalance Russia, have a new market for American exports and influence Muslims in Central Asia.

When that becomes clear, how closely should Washington scrutinize Kazakhstan's new constitution or elections? After all, the end of the Cold War does not mean an end to geopolitics.

A glimpse of the coming debate could be found during a recent closed-door session between a group of congressmen and a senior administration policymaker, at which the policymaker remarked

that in the years of the Soviet threat, "we were able to justify to ourselves a degree of cynicism in foreign affairs, which was contrary to our nature and traditions."

With the Cold War over, he added, "it may be that Americans have concluded that the world is safe for an unreconstructed form of Wilsonianism. Today, we are in danger of reverting to form — of granting idealism a near exclusive hold on our foreign policy."

MOSCOW: Communists Protest Price Rises and Call for Resignations

(Continued from page 1)

the country in its own hands and bring Gorbachev with other traitors to a military tribunal."

Others called for the resignation of Mr. Yeltsin.

Issues in Negotiation

Celestine Bohlen of The New York Times reported from Moscow:

The Kiev communiqué provided a framework for negotiations by specialists who will discuss dividing the Black Sea Fleet into strategic and conventional components.

Both sides agreed to abide by existing agreements, which say that strategic forces will fall under the joint command of the Commonwealth of Independent States.

But a Ukrainian government



A sailor in Sevastopol addressing a more urgent matter than the fleet's future: cleaning his mattress.

source said the republic was insisting on the right to take control of some portion of the fleet's conventional forces to protect its Black Sea coast.

Despite heated exchanges over several days, the meeting took place in an atmosphere of compromise, a Ukrainian official said. The delegations were headed by Deputy Prime Minister Sergei Shakra of Russia and Minister of Defense Conversion Viktor Antonov of Ukraine.

"Ukraine is not insisting on all the fleet," he said, "and the Russians understand that Ukraine, as an independent nation, needs its own fleet."

Still, the talks added to growing doubts about whether the Com-

monwealth can handle disputes between its members, or produce a collective leadership for its joint military forces.

In another Slavic republic, Belarus, the parliament, following in Ukraine's footsteps, moved over the weekend toward creating its own army. It said it assumed control of all the former Soviet forces on its territory, with the exception of strategic forces.

The dispute over the Black Sea Fleet was kindled by Ukraine's decision to seek a loyalty oath from all servicemen serving on Ukrainian territory, including those in the fleet.

Russia argues that the Ukrainian oath violates early Commonwealth agreements to put strategic forces under joint command.

Some of the disagreement stems from differences between Russia and Ukraine over just what "strategic" means.

Germans Cut Back On Arms

Defense Spending To Fall by a Third

The Associated Press

BONN — Germany will cut its planned defense spending by more than one-third over the next 13 years and reduce much of its inventory of heavy military equipment, its defense minister announced over the weekend.

Defense Secretary Gerhard Stoltenberg said the planned defense cuts and military realignments reflected changing world security requirements in the post-Cold War era, as well as Germany's own budgetary constraints.

Since it absorbed the largely bankrupt former East Germany in 1990, Germany has been struggling to bring the East up to Western standards, largely through budget cuts and tax increases.

After a meeting of leaders of the Bundeswehr, Mr. Stoltenberg said Saturday that military spending for 1993 through 2005 was expected to total 117 billion Deutsche marks (\$78 billion).

That represents a decrease of 43.7 billion DM in planned defense spending, or about 35 percent.

Most likely to be affected will be plans for transport planes, heavy artillery, ships and other hardware for the German air force, he said at a news conference. Plans to spend 20.7 billion DM on new battle tanks, anti-mine systems and upgrades on armored helicopters were axed completely.

Mr. Stoltenberg said that although the air force would need a new jet fighter after 2000, plans to go ahead with a new European jet fighter — called the Jäger 90 — were on hold.

He said the planned changes would make the German military more mobile and enable it to participate in rapid deployment forces, including United Nations peace-keeping missions.

To do that, however, Germany would have to abolish its constitutional restrictions on military involvement outside the area of the North Atlantic Treaty Organization, a change still under discussion.

Iran Opens Tajik Embassy

Reuters

NICOSIA — Iran has opened an embassy in Tajikistan, the only Persian-speaking republic in the former Soviet Union, the Iranian press agency, IRNA, said.



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BONN: Germany Calls Croatia Policy a Special Case

(Continued from page 1)

Genscher's policy has more to do with domestic popularity than any special German insight into Balkan politics.

"Their analysis is no better than ours," said a U.S. official in Washington, pointing out that Mr. Genscher's approach to Eastern Europe has always been marked by an urgent desire to reassure German opinion that instability there could be avoided.

The impact of Croatian independence — starting in effect, on Wednesday when Bonn implements recognition — is clear in one respect: It has dashed U.S. hopes of salvaging a Yugoslav federal entity of any sort.

But independence for Croatia was the goal of many German conservatives, and their objective was part of the domestic pressures on Bonn's policy toward Yugoslavia.

After months in which conservative German politicians have been restive at post-reunification concessions, the fate of Croatia became a test of Mr. Kohl's ability to assert German views, according to politicians. Mr. Kohl was put on notice last summer that he would face a revolt in his own party if he wavered on independence.

Pro-Croatian sentiment is particularly strong in Bavaria's Christian Social Union — the more conservative, nationalistic sister party of Mr. Kohl's Christian Democratic Union. The Bavarian Christian Socialists forged political ties with Zagreb in the mid-1980s, encour-

aged by the Vatican and East European leaders.

Those links, a conservative politician said, are not a bid for German aggrandizement, but a wish "to liberate a Western-minded, Catholic nation that should not be left out."

The Croatian lobby's influence in Germany is buttressed by Croats living and working in Germany —

many of them long-term residents with many German friends.

With Croatia becoming a litmus test with his party's right wing, Mr. Kohl found it impossible to resist wider pressures to act in Yugoslavia when German media started heavy coverage of the war.

The fighting, often depicted as a nightmarish return of the 1930s turbulence, affected German public opinion strongly and bred impatience with the EC's apparent inability to prevent a recurrence of old conflicts.

Asked what the Yugoslav episode portends for future Western policy coordination, a conservative German politician said, "This was a very specific set of circumstances."

"But a government official saw a wider pattern.

"We felt that other countries were indifferent to our calls for help in Eastern Europe," he said, "so we were forced to do something ourselves."

"Then other capitals blamed us for wanting to go our own way, and that fuels nationalist feelings in this country, precisely what we have sought to avoid with a common European foreign policy instead of a German one."

But diplomats challenged this version of Germany's dilemma.

"If they really want policy cooperation, the Germans have to realize that they cannot decide to opt out whenever they decide that an issue has become too scary for them to wait for a consensus," a European diplomat said.

5 Deaths Shatter Yugoslav Truce

Reuters

BELGRADE — Five persons were killed when Croatian and Serbian forces clashed Sunday in the worst violation so far of a United Nations-brokered cease-fire, Tanjug, the Yugoslav press agency, reported.

It said that Croatian forces launched an attack in the Baranja region near the Hungarian border and that Serbian forces returned fire. Three Croats were killed in an hour-long fight, Tanjug reported; it said two Serbs died and that three were wounded.

The UN-negotiated cease-fire between the Yugoslav Army and the Croatian National Guard went into effect Jan. 3. Five unarmed European Community peace observers were killed Tuesday when a Yugoslav Air Force plane shot down their helicopter. The Defense Ministry called the incident accidental.

ISRAEL: Under Pressure, the West Bank Radicalizes

(Continued from page 1)

since late October in attacks that have twice been timed to coincide with the opening of a new round in the peace negotiations.

One result has been a wave of vigilantism among the settlers as well as a mounting political drive to stop the peace process.

"There is a radicalization of the people because of the amalgam of the danger of being shot and the political danger of the darkness of a Palestinian state coming out of the tunnel of autonomy," said Elyakim Haetzni, a right-wing member of parliament and leader in the Kiryat Arba settlement, near Hebron.

"It's a very dangerous situation that may bring very violent reactions, far beyond what is happening now," Mr. Haetzni said.

So far, the settlers' campaign has appeared to have a remarkable degree of influence on both the army and the Shamir government. On the ground, convoys of settlers have begun blocking main roads after stoning incidents and driving back routes through Palestinian villages that are usually not patrolled by the army. As a result, soldiers have been forced to impose curfews and set up checkpoints according to the settlers' agenda.

Meanwhile, Mr. Shamir and his defense minister, Moshe Arens, have bent over backward to appease settlement leaders in the wake of shooting incidents. After sit-ins by militants, Mr. Arens agreed to set up a new settlement at the site of one shooting in the West

Bank, and has reportedly agreed to prepare for another at the site of the latest ambush, near a Gaza refugee district.

Last week, Mr. Arens and Mr. Shamir met one of the settlers' most insistent demands by expelling 12 Palestinians from the West Bank and Gaza, even though there was no evidence that any of the suspects were connected to the shootings. And Mr. Shamir agreed to budget for the construction of 5,500 more Jewish housing units in the territories in 1992 — even though an unprecedented campaign to build 21,000 units is already under way.

"The radical right has already had a tremendous impact on the peace process," said Ehud Sprinzak, a political scientist at Hebrew University.

"The question is whether they will be able to block the peace process altogether," said Mr. Sprinzak, who has just published a book on the "radical right" in Israel. "In the long run, I don't see them stopping it, but I do see a major conviction in Israel, including possibly violence."

For now, the settlers have considerable political leverage over Mr. Shamir because two nationalist parties that represent them have the power to bring down the government by withdrawing from its parliamentary coalition — and because the prime minister, 76, is already beginning to focus on the general elections that, in any case, must be held in Israel sometime this year.

The right-wing parties, called Tehiya-Zionist Revival Movement and Moleket, now say they will withdraw from the government if Israel's negotiators in Washington so much as mention a plan for self-government to the Palestinians. That appears to leave Mr. Shamir a choice between prolonging the procedural quarrels that dominated the last round of talks and accepting the end of his government and the scheduling of spring elections.

Peace Talks on Mideast Resume Monday in U.S.

Reuters

WASHINGTON — Middle East peace talks were to resume in Washington on Monday, with only three days for negotiators to break a procedural impasse and move on to the major issues at the center of the Arab-Israeli conflict.

Officials from both sides said the third round of peace talks, involving Israel, Syria, Lebanon and a joint Jordanian-Palestinian delegation, would convene on Monday, six days after the date originally agreed. Israelis say they intend to leave Wednesday evening, leaving only three days to settle a dispute over the status of the joint Palestinian-Jordanian delegation.

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EUROBONDS

Rate Outlook Deflates The Speculative Balloon

By Carl Gewirtz

PARIS — Some of the froth went out of the international capital market late last week when the U.S. bond market suddenly turned down and the enormous volume of new Eurobond issues, totaling the equivalent of more than \$11 billion, began to look like more than the market can bear.

The sell-off was no surprise because prices had risen very fast.

At about the same time, the Bundesbank vice president, Hans Tietmeyer, told the Berlin Chamber of Commerce that German interest rates would generally have to stay fairly high for the foreseeable future.

The sell-off in bond markets was no surprise, analysts say, because prices over the past month had risen very fast and yields, which move inversely to prices, had come down very sharply.

Simon Crane, a London-based adviser to technical traders, says that the U.S. and German bond markets had been looking "slightly overbought" after the surge in prices that began during the holidays and continued last week.

The speculative element in the market was apparent in last week's largest Eurobond, a \$1.5-billion global issue of registered 10-year paper issued by the World Bank.

IN ADDITION, the paper was placed with "more speculative hands" — investors who are not normally buyers of World Bank paper — notes a spokesman at one of the 12 lead managers.

The high not-U.S. sales reflect speculation, especially in Europe, that the dollar will appreciate sharply this year and that long-term U.S. interest rates will continue to decline.

However, despite the setback in the Treasury market Friday, European and Asian buyers held their paper, forcing the short sellers to cover their positions.

Management reports that the low offering spread is a function of speculation desire for a large, liquid issue to make their bets.

Ontario whose long-term debt is rated AA, priced \$1 billion of seven-year notes to yield 56 basis points over the U.S. benchmark.

However, Crédit Local de France may face some trouble this week. It announced a \$500 million, 10-year issue on Friday without specifying the coupon or the offering price but indicating an intention to price the issue on Monday that provided a spread of 28 basis points over the U.S. benchmark.

The Eurodollar bonds launched earlier in the week generally

See EUROBONDS, Page 9

U.S. Bids EC Relent On Farm Subsidies

Compiled by Our Staff From Dispatches

WASHINGTON — Commerce Secretary Robert A. Mosbacher expressed disappointment Sunday at a fresh rejection by the European Community of substantial cuts in farm subsidies and suggested that Europe should reconsider its "mistake" and "relent."

He commented after the EC ministers of trade and agriculture, meeting in Brussels over the weekend, reaffirmed their objections to a proposal to overhaul farm subsidy programs under the General Agreement on Tariffs and Trade.

Their stance, on the eve of a make-or-buy round of negotiations in Geneva Monday, appears to have dashed hopes for a breakthrough in the GATT talks.

Many countries, including the United States, want to compete with Europe in the area of agriculture. Mr. Mosbacher said, but the Europeans maintain "huge subsidies" for their agricultural products.

"I think they're making a big mistake, and I hope they'll reconsider," he said. "Perhaps GATT can still succeed, he added.

The EC ministers, meeting into the pre-dawn hours Saturday, refused to make any concessions despite warnings by economists that failure in the trade talks could worsen recession around the world.

EC officials said the atmosphere surrounding the talks had noticeably worsened since President George Bush met in the Hague in November with Prime Minister Ruud Lubbers of the Netherlands, then the acting EC president, and vowed that a successful trade deal was at hand.

At the end of their five-and-a-half hour meeting, the EC ministers reaffirmed their objections to a plan for the overhaul of farm subsidy programs that was offered in December by the GATT director-general, Arthur Dunkel.

No written statement was issued, but several ministers said there was agreement to endorse the conclusions of a meeting held on Dec. 23, when EC ministers said that Mr. Dunkel's plan was unacceptable because it would demand unfair concessions from European farmers.

(IHT, WP)

For the U.S., a Decade to Pay the Piper

By John M. Berry

Washington Post Service

WASHINGTON — The American economy, still burdened by the excesses of the 1980s, is struggling to regain its footing, a challenge that it will confront through 1992 and perhaps much of the decade.

With a burgeoning array of problems masked by economic growth statistics during the Reagan years, America was surprised when the problems came together at the start of the new decade to throw the country into recession and raise questions about its future.

Some analysts believe that the unmasking itself is responsible for the sour, uneasy mood of many households and businesses, and therefore also partly responsible for the fact that the economy today is as "flat as a pancake," as one government economist put it last week.

That flatness is widely expected to continue only for a few more months, with growth resuming this spring as consumers and businesses make more progress in digging themselves out from under a mountain of debt.

But no one is looking for a boom. By late this year, most forecasters expect the civilian unemployment rate to drop from last month's 7.1 percent rate only to 6.7 percent or so. The good news is that inflation is likely to stay in the 3.5 percent to 4 percent range even if the economic recovery does pick up as predicted.

A simple resumption of growth, however, is not going to be enough to get the U.S. economy out of the woods. The biggest problem in the eyes of many economists is that the long expansion, which led to creation of more than 18 million jobs, came at the expense of a sharp decline in savings and an enormous

increase in the total debt of governments, households and businesses.

The rise in total debt was paralleled by an unprecedented decline in national saving. Partly as a consequence, business investment other than for replacement of worn out or obsolete plants and equipment was cut nearly in half, relative to the size of the economy.

"The 1980s were a bit of a disaster for the United States and the bill is coming due," a Massachusetts Institute of Technology econ-

omist, Rudiger Dornbusch, said at the annual meeting of the American Economics Association in New Orleans a few days ago.

"Like the debts of Latin America, once the growth disappears, debts become a major burden," he said.

Some economists fear that the United States will be lucky during the 1990s to match the record of the '80s when the amount of goods and services produced by each worker rose a scant 0.8 percent a year.

Mr. Dornbusch and many other experts regard that as a poor economic performance because the slow increase of productivity and a growing concentration of income among

more highly paid employees left the real wages of average workers lower than they were 10 or 15 years ago.

Furthermore, with output per worker going up so slowly in the '80s, the major source of economic growth was a rapid increase in the size of the work force as an ever greater share of women sought jobs. U.S. gross domestic product rose an average of 2.2 percent a year only because of all those added workers.

Unfortunately, Mr. Dornbusch said, the work force in the 1990s is projected to expand much more slowly, both because the population is not increasing as rapidly and because it is unlikely that the participation of women will keep rising strongly.

Concern over such longer-term prospects was stated repeatedly last month when members of the House Ways and Means Committee asked a number of economists what should be done to spur the lagging economy.

"The economic problems that the United States faces today are not new," said Barry Bosworth, a senior fellow at the Brookings Institution. They have little to do with a minor recession and will not be solved by a tax cut, he added.

"After a decade or more in which Americans have been unwilling to invest in the future, they should not be surprised that the future looks a little grim," Mr. Bosworth said.

The centerpiece of his argument was a chart showing that as income gains lagged, consumers kept right on spending. Over the decade, the share of national output going for personal consumption rose from about 63

percent to 65 percent.

When suddenly the dollar started to rise in value, the shorts were covered: Marks were sold for dollars, creating a buying panic for the U.S. currency.

The New York banker also reports that U.S. investors who had bought substantial amounts of German government bonds unloaded those holdings in the past week. In part this was aimed at profiting from the substantial rise in German bond prices.

The banker stresses that this was a one-time event and not a continuing source of support.

Barring a real deterioration in the political situation in Eastern Europe, which could frighten European investors to seek safety in North America, he believes the high differential between short-term German and U.S. interest rates will keep the dollar weak.

"This is not a repeat of February 1991; there won't be a runaway rise in the dollar," he said.

As the Dollar Travels Up, Is Its Ticket One-Way?

By Carl Gewirtz

International Herald Tribune

PARIS — Currency traders were spooked by the dollar's powerful recovery last week. Not only did the rebound come out of nowhere, catching everyone by surprise by rising 5.5 percent against the Deutsche mark, it also looked eerily like a replay of last year.

At the outbreak of the Gulf war the dollar fell, hitting a record low of 1.4430 DM on Feb. 11, 1991. It then snapped back to begin a five-month rally that carried it to a high of 1.837 DM on July 5 with hardly a setback. Although a temporary pullback was repeatedly forecast by analysts, it never materialized until doubts about the U.S. recovery set in.

Now again, experts anticipate the dollar must fall back a bit before it can resume its widely forecast upward trend. But the question haunting the market is: Will it fall back, or is the market poised for a replay of last February?

"Lots of players remember last February and don't want to miss the boat this year," says Jim O'Neil, London-based analyst for Swiss Bank Corp. He expects the dollar to "try to breach 1.60 DM"

this week. It ended at 1.5845 DM last week.

"The short-term trend for the dollar clearly is up," comments Simon Crane, an adviser to technical traders. "But it must get over 1.605 DM and then the dollar could do quite well."

For Paul Chertkow, Citibank's chief currency strategist in London, "a move above 1.60 DM would provide an early indication of a medium-term upturn." He looks for a rise above 1.65 DM to confirm the recovery, which he believes will push the dollar back to 1.80 DM.

He and Mr. Crane agree that the dollar would have to fall below 1.55 DM to break the current buoyant atmosphere.

By contrast, David Fuller, chairman of Chart Analysis Ltd. in London, believes that "this is no more than a technical rally. The dollar could go a bit higher, but it will soon run out of steam. I don't think we've seen the dollar's low — first because the Americans want a competitive devaluation and second because the Germans are happy with a lower dollar and don't care."

Bank treasurers in New York and Frankfurt, who asked not to be identified, expect the dollar to re-

turn before resuming its advance — soon for the German banker, later this year for the American.

The Frankfurt banker, gloomier about the prospect of a recession in Germany that would bring interest rates down, sees the dollar retreating to the mid-1.50s against the mark before attempting to leap over the 1.65 DM barrier. Once over that hurdle, possibly within a month, he sees the dollar climbing to 1.90 DM.

The New York banker believes that the extreme negativism concerning the outlook for the dollar has been broken, but he also insists that "the basics are intact" to keep the dollar strong against the European currencies.

These basics are the huge difference in short-term interest rates. At current levels, speculators are paid to bet against the dollar by shorting the currency. It costs 4.125 percent to borrow dollars, which can then be sold for marks and put on deposit to earn almost 9.5 percent.

It's worth noting that in February 1991, at the time of the dollar's low against the mark, the interest differential was 2.375 percentage point in the mark's favor compared to the current 5.375 points.

That narrower spread may have helped trigger the dollar's recovery.

Looking at last week's moves, analysts agreed that banks and other institutional investors had established substantial shorts against the dollar, which drove the dollar down to its low of 1.5050 DM.

When suddenly the dollar started to rise in value, the shorts were covered: Marks were sold for dollars, creating a buying panic for the U.S. currency.

The New York banker also reports that U.S. investors who had bought substantial amounts of German government bonds unloaded those holdings in the past week. In part this was aimed at profiting from the substantial rise in German bond prices.

The banker stresses that this was a one-time event and not a continuing source of support.

Barring a real deterioration in the political situation in Eastern Europe, which could frighten European investors to seek safety in North America, he believes the high differential between short-term German and U.S. interest rates will keep the dollar weak.

"This is not a repeat of February 1991; there won't be a runaway rise in the dollar," he said.

A Word to Detroit From Japanese Buyers

By Steven R. Weisman

New York Times Service

TOKYO — The very moment that President George Bush and American automobile executives were calling on Japan to buy more American cars, Tomio Sakamoto was looking over a shiny black Cadillac Seville in a showroom on the Ginza, where it was selling for a pricey \$60,000.

"Of course I might buy an American car," said Mr. Sakamoto, 43, a graphic designer. "But I remember that my friend had a Pontiac, and it breaks down very often. The brake gets loose and the blinker lever dropped. It's unbelievable it was so badly made."

American cars were on Japanese minds last week because of Mr. Bush's four-day visit, which ended on Friday. Talk of cars echoed in the prime minister's office, among the bureaucracy and in business corridors. But showrooms were a good place to hear discussions from the real experts: consumers.

Among those interviewed at random at showrooms in central Tokyo, the comments were similar. Mr. Bush's efforts to get Japanese to buy cars would produce little unless Detroit made better cars, geared to Japanese tastes.

At the same time, many of those interviewed felt that American cars would find a niche here if they could be marketed with a few crucial adjustments, most notably moving the steering wheel to the right-hand side of the car.

"I'm in the advertising business, so if they asked me to promote American cars, I bet I could come up with something that would work," said Hiroshi Minamide, standing near a Pontiac Grand Am. Asked what that might be, he paused, tilted his head, and said finally, "Maybe status?"

At present, American cars account for only slightly more than 16,000 of the 5.1 million cars sold in Japan each year, or a little more than three-tenths of 1 percent. The most popular cars are sports models like the Chevrolet Corvette, the Pontiac Grand Am and several Cadillac models.

According to dealers, the poor image of American cars in Japan took root in the late 1970s and early '80s amid resentment in Japan at being pressed to adopt restraints on car exports to the United States.

"Japanese say American cars are too big, too hard to maintain and inefficient in their mileage," said Teruo Ishii, a spokesman for Yamase & Co., the largest-volume

American car importer. "But the images are out of date. American cars have improved a lot, and they are buying bigger cars."

Other analysts say American cars will never be competitive until they are backed by solid warranties and with the kind of service and repair networks that Japanese insist on. Doing so would be a major investment that American companies might not be willing to make without more guarantees that their cars would sell.

The high prices of American cars in Japan are a result of costs for shipping, Japanese standardization and high markups by dealers. Dealers and other specialists also agree that although American cars may have improved in quality, more work needs to be done.

The high prices of American cars — far higher than in the United States — pose another problem. Dealers insist on a big markup to compensate for low sales volume, but the low volume keeps the prices high.

American carmakers have declined to let steering wheels on the right side of the car, but without the steering-wheel changes, it is unlikely that they will ever sell many cars.

"The steering wheel is not a trivial thing," said Hideo Tanaka, an advertising executive. "If it's on the wrong side, you can't get tickets at toll booths or parking lots. It's a big nuisance." But he added that for car buffs like himself, real quality could overcome even this sort of handicap.

The high prices of American cars — far higher than in the United States — pose another problem. Dealers insist on a big markup to compensate for low sales volume, but the low volume keeps the prices high.

As the Japanese see it, this situation illustrates the need for American automakers to be willing to sacrifice in the early stages for success later, as the Japanese did in America.

"I know American cars are very strong, but for Japanese people they are too big and their mileage is too low," said Keiko Shimizu, a teacher, at a Nissan showroom. "If Americans learn how to be more flexible and work hard, they can produce cars that Japanese people will buy."

The U.S. trade representative, Carla A. Hills, said Mr. Bush's mission had made "dramatic changes" toward opening Japan's markets to U.S. products. Reuters reported from Washington.

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other financial data.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other financial data.

Forward Rates

Table with columns for Currency, Bid, Ask, and other financial data.

Last Week's Markets

Table with columns for Index, Bid, Ask, and other financial data.

KLEINWORT BENSON SELECT FUND SICAV. Registered office: 14, rue Aldringen, Luxembourg. DIVIDEND ANNOUNCEMENT. The Board of Directors has announced to pay an interim dividend to the shareholders of the following sub-funds:

Herald Tribune. LIVING IN THE U.S.? NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES. TO SUBSCRIBE, CALL 1-800-882-2884.

BusinessWeek. This week's topics: Soviet Deals Turn Smaller, Learning From Eastern Europe, Taking The Long View At ATT, Mercedes Runs Into Sticker Shock, What Bush Should Have Said. Now available at your newsstand! Ford Motor Credit Company. NOTICE OF REDEMPTION. 12% Notes due February 15, 1995.

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 323 11 30. Prices may vary according to market conditions and other factors. Jan. 10

Canadian Dollars

Table of Canadian bond prices including Short Term, Government/Supranationals, and Corporate bonds.

Table of Government/Supranationals bond prices from various countries.

Table of Corporate bond prices from various countries.

Table of ECU Straights bond prices.

Table of Pound Sterling bond prices.

Table of Yen Straights bond prices.

Table of other international bond prices.

Table of other international bond prices.

Table of other international bond prices.

Advertisement for the new Olympian Executive Class, featuring an image of a person in a suit and text describing the service and amenities.

Advertisement for OLYMPIC AIRWAYS Cards, featuring the airline logo and card details.

Vertical text on the right edge of the page, including 'STOCKS' and 'NASDAQ NATION'.

New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes and Fixed-Coupons.

Treasuries Taking a Breather After Long Rally

Compiled by Our Staff From Dispatches
NEW YORK — The Treasury bond market seems ready for a rest after December's 6 1/2-point rally, traders and analysts said.

U.S. CREDIT MARKETS
Mr. Duerson said. Bond prices also fell Thursday. It may take until February before the debt is digested, he said.

With Europe drawing closer together, said Mr. von Simon. "The feeling was that those outside the market — the U.S. and Japan — would find it necessary or advantageous to establish European beach heads."

find good support around these levels in the next few days," said Anthony Karydakos, senior financial economist at First National Bank of Chicago. "I would not be surprised if it tried to make a comeback."

Italy Unblocks A Portion of Iraq's Assets

ROME — Italy has partially unblocked Iraqi assets frozen after Iraq invaded Kuwait in August, 1990.

MERGERS: When Companies Go Cold on Fusion, M&A Scientists Suffer

(Continued from page 1)
phoenixism to ignite on the Continent. "The big M&A boom tended to be an Anglophone phenomenon," said Mr. McCarthy.

Iraq May Export Oil in 2d Quarter

LONDON — Iraq could resume exporting oil sometime between April and June, oil industry executives said Sunday after talks between Iraq and UN officials.

HSBC Reportedly To Sell Midland

LONDON — HSBC Holdings PLC, formerly known as the Hongkong & Shanghai Bank, is putting its stake of about 15 percent in Midland Bank PLC up for sale, news reports said Sunday.

RECOVER: A Rocky Decade?

(Continued from first finance page)
percent to an average of 68 percent in recent years.
For three decades prior to the '80s, total national savings had averaged more than 8 percent of net national product — a measure of national income that takes out business allowances for depreciation.

MUTUAL FUNDS

Table listing various mutual funds with columns for Bid, Ask, and other financial metrics.

Japanese Role Seen in Bonds For Republics

TOKYO — The former Soviet Union asked Japanese securities firms to underwrite and help it float gold-backed bonds on the Tokyo and European financial markets, a newspaper reported Sunday.

EUROBONDS: Speculative Balloon Is Deflated

(Continued from first finance page)
found a good response. Nestlé, a rare borrower whose long-term debt is not rated, sold \$200 million of five-year notes carrying a coupon of 6.125 percent and reoffered at 99.40 for a spread of only 24 basis points over Treasury paper.

per in the belief these instruments offer greater potential gains once official monetary policy is eased.
In addition, the year-end rally appears to have overheated.
"We are bullish for the German bond market in 1992," says Bob Tyley, London-based analyst at Paribas Capital Markets.

The warrants are sold at 3.35 DM each and give the right to buy noncallable paper at a price of 100.25. For them to be profitable, interest rates need to fall by nearly 200 basis points.

Both the European Investment Bank, except from withholding tax for Italians, and Austria issued 500 million DM of 10-year bonds priced to equal the yield on German government debt.

Dealers report considerable divergence in investor attitudes. Some, they say, are seeking to lock in long-term paper on the assumption that rates will not rise further. Others are seeking short-dated pa-

per to the classic European agreed deal as "more of a seduction than a rape," he said. "It is a long process of persuading them of the benefits of a closer relationship."

Large table of financial data, likely a continuation of the Mutual Funds table, listing various fund names and their performance metrics.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 10.

Main table containing NASDAQ stock market data with columns for symbol, price, volume, and change. Includes sub-sections A through T.

(Continued on next page)

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Vertical text on the right edge of the page, including 'NASDAQ NA' and 'CHICAGO EX'.

WORLD STOCKS IN REVIEW

By Agence France-Press

Amsterdam

The market made a good start to 1992 with volume last week increasing almost daily and totaling 11.3 billion guilders, of which 3.2 billion was equities.

Frankfurt

The market overcame early losses to end last week with the DAX spot trend gaining a modest 12.09 points, to close at 1,615.71 on Friday.

Hong Kong

Shares rose to an all-time high during roller-coaster trading last week. The Hang Seng index gained 41.79 points to close at 4,348.92 Friday.

London

Stocks suffered last week over concerns about the weak pound, the state of the British economy and political uncertainty in an election year.

Milan

The exchange's MIB index gained 4.7 percent last week to close Friday at 1,048 points. Daily trading volume also gained each day, reaching a peak of 100 billion lire a day against an average of 50 billion the previous week.

Paris

Prices rose on the Bourse last week with new optimism helped by government plans for a new shares investment trust to tap public savings.

Singapore

Renewed investor confidence helped the Straits Times industrial index gain 7.18 points last week to close at 1,488.07.

Tokyo

Share prices fell sharply last week in volatile, arbitrage-dominated trading. The Nikkei Stock Average of 225 selected issues closed the week at 22,381.90 yen, which was 1,424.28 yen or 6 percent below the close on Monday, the year's first trading day.

Tax Hopes Are Lifting U.S. Stocks

By Floyd Norris New York Times Service

NEW YORK — Nothing, it is wrongly said, is certain except death and taxes. In reality, taxes are not a sure thing, and in that fact may lie a partial explanation for the soaring stock market.

Just now, chances seem better that the government's desperate effort to revive the economy will produce a cut in the capital gains tax rate, a move that would be a boon to shareholders.

Companies now get tax deductions when they pay interest on borrowing, but do not save on taxes when they pay dividends, which is one reason that corporations went deeply into debt in the 1980s, a calculation that is still damaging the economy. It remains hard to see how that idea could get through Congress, but even the talk may be helping.

But what will happen when the tax situation eventually is clarified? A decision to cut the capital gains rate would provide a reason for nervous investors to take profits, but it might also encourage buyers.

Euromarts At a Glance

Table with columns: Euromart, Jan 8, Jan 9, Jan 10. Rows include U.S. & 5 yr & over, U.S. & less than 5 yr, Pounds sterling, less than 5 yr, etc.

Weekly Sales

Table with columns: Euromart, Jan 8, Jan 9, Jan 10. Rows include Straights, Convert, FRMs, ECP, Total.

Libor Rates

Table with columns: U.S., 1-month, 3-month, 6-month. Rows include U.S., Deutsche mark, French franc, etc.

U.S. Treasury Bonds

Table with columns: Maturity, Close, Bid, Ask, Yield. Rows include 31.12.92, 15.11.94, 31.10.96, etc.

U.S. Consumer Rates

Table with columns: Tax Exempt Bonds, Bond Buyer 30-Year Index, Money Market Funds, etc.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 10.

Large table listing various OTC stocks with columns for price, volume, and change.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 10.

Table listing American exchange options with columns for option price, calls, puts.

U.S.-China Talks Cast a Shadow On H.K. Market

By Floyd Norris New York Times Service

HONG KONG — Talks between China and the United States that are being held to thrash out U.S. charges of trade piracy will set the tone for Hong Kong's stock market this week, analysts said.

But even if the talks fail and Washington levies punitive tariffs on imports from China, hurting Hong Kong manufacturers with operations there, many analysts believe any damage to the local market would be brief.

"There would only be a short-term impact," said Patrick Choi, assistant director at Asia Equity. "I anticipate there will be some fallout, but I think the market has fairly well discounted that," said Howard Gorges, managing director at South China Securities.

But other analysts said the Hang Seng index, now at about 4,350, could slide sharply if the United States and China fail to reach agreement at the talks, which have a Thursday deadline.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 10.

Table listing Chicago exchange options with columns for option price, calls, puts.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 10.

Table listing American exchange options with columns for option price, calls, puts.

WALL STREET REVIEW

Figures as of close of trading Friday, Jan. 10.

Table with columns: NYSE Most Actives, AMEX Most Actives. Rows include RJB, GIBCO, AT&T, etc.

NYSE Sales

Table with columns: Total for week, Week ago, Two years ago, etc.

NYSE Dividends

Table with columns: Advanced, Declined, Unchanged, etc.

AMEX Sales

Table with columns: Total for week, Week ago, Two years ago, etc.

AMEX Dividends

Table with columns: Advanced, Declined, Unchanged, etc.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 10.

Large table listing American exchange options with columns for option price, calls, puts.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 10.

Table listing American exchange options with columns for option price, calls, puts.

ESORTS & GUIDES section containing advertisements for BELLE EPOCH, MERCEDES, DEBUTANTE, ZOE PRESENTS, DIPLOMAT, MODELS, MYSTIQUE, LA MAISONNETTE, AMSTERDAM LIBERTY INTL, ZURICH, ZURICH SUSAN, MARILYN, ORLEANS ESCORT SERVICE, LONDON BRAZILIAN, ESCORTS & GUIDES, INTERNATIONAL CLASSIFIED, ESCORTS & GUIDES.

MONDAY SPORTS

Bills Slip by Broncos for AFC Title and Return to Super Bowl

Packers Select Holmgren, Bucs Hire Wyche as Coach

Mike Holmgren has been hired as coach of the Green Bay Packers, leaving only the Pittsburgh Steelers with a coaching vacancy at present.

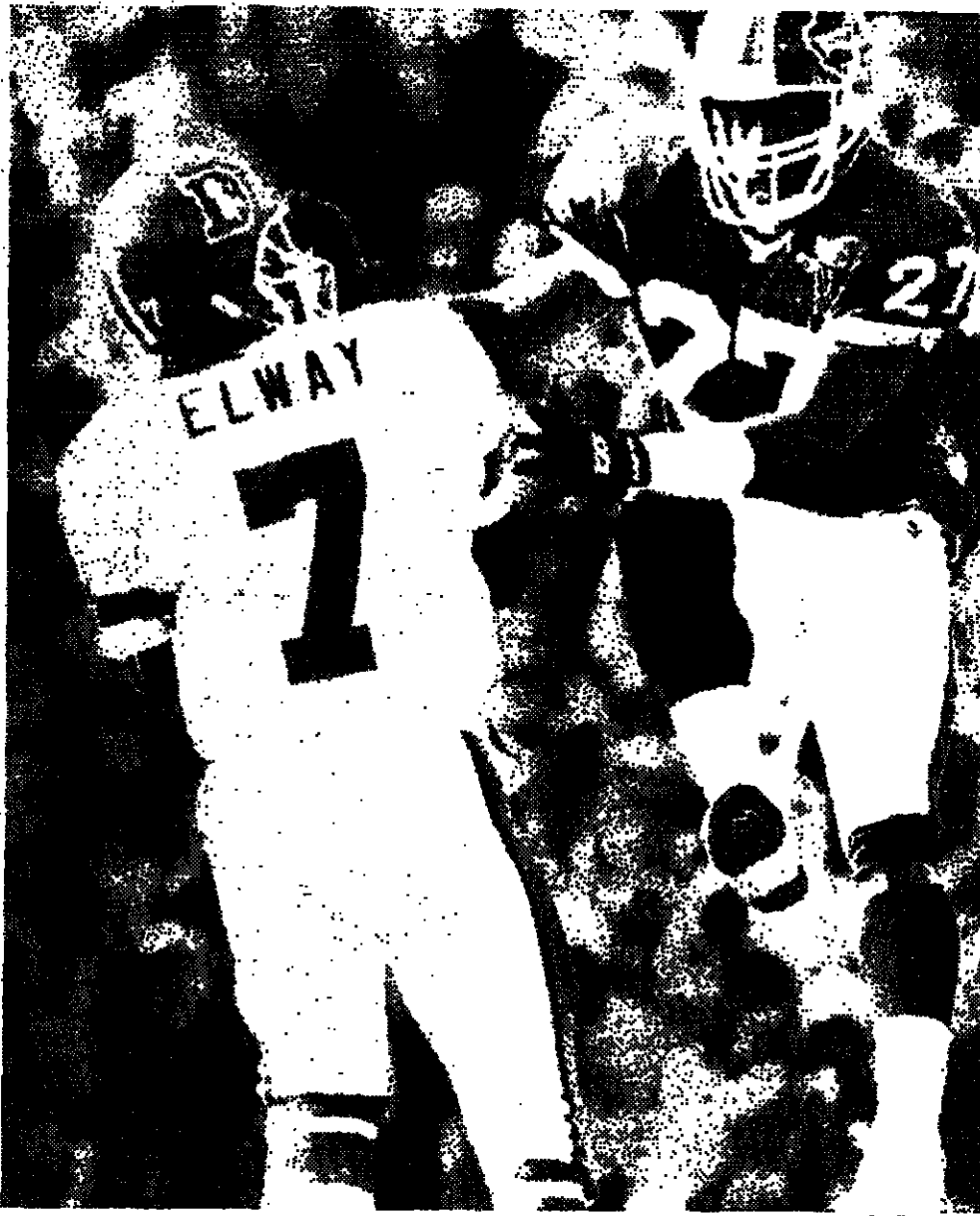


Dennis Green: Vikings' coach.



Sam Wyche: Former Bengal.

Holmgren said he planned to hire an offensive coordinator, but would himself play a major role in creating a balanced running and passing game.



Quarterback John Elway barely got off a pass before he was almost overrun by Buffalo's defense.

Buffalo's Non-Offense Still Prevails, 10-7

ORCHARD PARK, New York — No offense, but Buffalo is going back to the Super Bowl and Denver isn't.

137 yards and ran 2 yards for the Broncos' only touchdown with 1:43 left, after Scott Norwood's 44-yard field goal had given the Bills a 10-0 lead.

fense that sent Simon Fletcher and Michael Brooks blitzing on most plays. Denver had plenty of early chances, but came up empty.

Holzer Wins Super-Giant Slalom as Accola Closes on Tomba

GARMISCH-PARTENKIRCHEN, Germany — Patrick Holzer, giving his Italian teammate, Alberto Tomba, a little help on the way, led a charge by late starters and won the men's super-giant slalom on Sunday to post his first World Cup victory.

the top 10, but I am very surprised by my victory. After the race, Tomba embraced Holzer and congratulated his young teammate.

Markus Wasmeier of Germany was the winner of the downhill on Saturday, a race that was marred by injuries. The season ended for Rob Boyd of Canada, Ate Skaardal of Norway and Berni Huber of Germany a month before the Olympics.

many falls because some racers were too impressed by the course. Wasmeier had a time of 1 minute, 50.58 seconds, edging Patrick Orlich of Austria, who was second in 1:50.64.

"I learned a lot from my fall in Saalbach," Ginter said after the race. "I wanted to prove to everyone that I still have good nerves."

SIDELINES

South African Track Groups Unite

CAPE TOWN (AP) — South Africa's two leading track and field groups, one white, the other black, formed a unified body Sunday in a move that should clear the way for Olympic participation this summer.

For the Record

Dieder Camberbero, the French team's goal kicker, injured his right leg Sunday and said he probably would not play in the Feb. 1 Five Nations match in Cardiff.

Sánchez Day Spoiled Only By Sabatini

SYDNEY — Top-seeded Gabriela Sabatini killed the chances of a family sweep in the New South Wales Open tennis tournament by dominating No. 2 Arantxa Sánchez Vicario, 6-1, 6-1, in the women's singles final Sunday.

Former Soviet Republics Organize Soccer and Olympic Sports Bodies

MOSCOW — At least eight former Soviet republics have formed a new soccer association within the new Commonwealth of Independent States, and said they will represent what was the Soviet Union at least through the European Championship, while an All-Commonwealth Sports Council has been formed to coordinate activities for the 1992 Olympics and other international competitions.

The All-Commonwealth Sports Council also will seek the bank accounts of the defunct Soviet Sports Committee, or GosSport, the Russian minister of sports, Vasil Matichouga, reiterated Saturday in Paris.



Vasil Matichouga: Seeks funds.

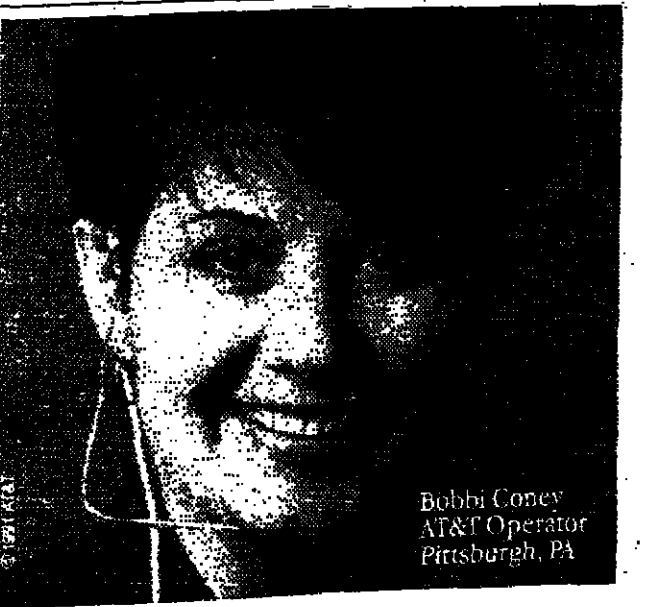
Arbitrator Reopens U.S. Bobsled Trials

LOS ANGELES — An arbitrator has ruled that the U.S. Olympic bobsled team was unfairly selected last year and ordered a new round of tryouts less than a month before the Olympics.

held between Jan. 14 and Jan. 18 in Europe among the eight sleds already selected for the U.S. Olympic team, the two alternates and Moses, Gault and Harrell.

East Wins Japan Bowl

The 50,000 Japanese spectators who came to watch the 1990 Heisman Trophy winner, Ty Detmer, on Sunday were not disappointed, as he passed for 131 yards and ran for a touchdown. The Associated Press reported from Tokyo.



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Only AT&T USADirect Service puts you in easy reach of an AT&T Operator in the States from over 90 countries around the world.

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Table with columns for country codes and phone numbers for AT&T USADirect service.

* Areas second dial tone. ** Public phones require coin or card. ** Western portion of Dial '0' and coast second tone outside Western U.S. Dial '02' first, outside of Calif.



